

30th March 1950]

[Mr. Chairman]

(L.A. Bill No. 2 of 1950), as passed by the Assembly on the 29th March 1950, and signed by me for the recommendation of the Council.

I certify that this is a Money Bill within the meaning of Article 199 of the Constitution of India.

(2) In accordance with rule 105 of the Madras Assembly Rules, I have the honour to intimate that the amendments made by the Council in the Madras Village Panchayats Bill, 1949 (L.A. Bill No. 22 of 1949) were taken into consideration by the Assembly at its meeting held on the 29th March 1950, and that the Assembly has agreed to the amendments.

(3) In accordance with rule 99 of the Madras Assembly Rules, I transmit copies of the following Bills, as passed by the Assembly on the 29th March 1950, and signed by me for the concurrence of the Council:—

(i) The Madras Re-enacting Bill, 1950 (L.A. Bill No. 3 of 1950).

(ii) The Madras Jute (Control of Prices and Sales) Bill, 1950 (L.A. Bill No. 4 of 1950).

(iii) The Madras City Municipal, District Municipalities and Local Boards (Amendment) Bill, 1950 (L.A. Bill No. 5 of 1950).

(iv) The Madras Co-operative Land Mortgage Banks (Amendment) Bill, 1950 (L.A. Bill No. 6 of 1950). ” ”

III.—MESSAGES FROM THE GOVERNOR.

MR. CHAIRMAN :—“ I have to announce to the House that I have received the following messages from His Excellency the Governor of Madras :—

(1) “ In pursuance of Article 207 (1) of the Constitution of India, I, Krishna Kumarsinhji Bhavsinhji, Governor of Madras, hereby recommend to the Madras Legislative Council the moving of the Madras Appropriation Bill, 1950.

(2) In pursuance of Article 207, clause (3) of the Constitution of India, I, Krishna Kumarsinhji Bhavsinhji, Governor of Madras, hereby recommend to the Madras Legislative Council the consideration of the Madras Re-enacting Bill, 1950.” ”

IV.—THE MADRAS APPROPRIATION BILL, 1950, AS PASSED BY THE ASSEMBLY (L.A. BILL No. 2 OF 1950).

* JANAB ABDUL LATIF FAROOKHI :—“ On a point of information, Sir, I would like to know the procedure to be adopted in the matter of making recommendations with regard to the Appropriation Bill. This is a new experience for us. Article 204 of the Constitution requires that such a Bill should be brought before the Houses of Legislature. Since this is also a Money Bill, we do not know what form our recommendations should take,

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whether they should be in the form of an amendment or a resolution or mere suggestions in speeches. We would like to have enlightenment on this subject so that we may take the course which you may be pleased to suggest."

MR. CHAIRMAN :—" I would have been much more pleased if the hon. Member had called for this information well in advance—yesterday or the day before—when we met. But, any way, Article 204 of the Constitution says—

' (1) As soon as may be after the grants under Article 203 have been made by the Assembly, there shall be introduced a Bill to provide for the appropriation out of the Consolidated Fund of the State of all moneys required to meet—

(a) the grants so made by the Assembly; and

(b) the expenditure charged on the Consolidated Fund of the State but not exceeding in any case the amount shown in the statement previously laid before the House or Houses.

(2) No amendment shall be proposed to any such Bill in the House or either House of the Legislature of the State which will have the effect of varying the amount or altering the destination of any grant so made or of varying the amount of any expenditure charged on the Consolidated Fund of the State and the decision of the person presiding as to whether an amendment is inadmissible under this clause shall be final.'

That is all the procedure we know. This is a Bill like any other Bill."

* JANAB ABDUL LATIF FAROOKHI :—" Then what should be the form of our recommendations? I am at a loss to know how we should proceed with this Bill."

MR. CHAIRMAN :—" Nor am I in a position to tell you. (Laughter.) We shall do as best as we can under the rules. Clause (2) of the Article implies amendments may be moved but only says what kind of amendments should not be moved. So, this is as much a Bill as any other. The hon. Member can move amendments if he wants and it is up to me to accept them or reject."

THE HON. SRI B. GOPALA REDDI :—" What about clause (2) of Article 204 which says that no amendment shall be proposed which will have the effect of varying the amount and so on? "

MR. CHAIRMAN :—" If there are any amendments which do not come under the mischief of clause (2), they may be moved."

DR. A. LAKSHMANASWAMI MUDALIYAR :—" I can hardly find an amendment to move, which does not transgress the provisions of clause (2)." (Laughter.)

MR. CHAIRMAN :—" We are bound by the Constitution and that is all I can say. We are in the dark about the procedure and we must gather knowledge as we proceed."

THE HON. SRI B. GOPALA REDDI :—" Sir, this point was raised in the United Provinces Legislature also, according to a report in the *Hindustan Times* which I saw yesterday, and the Chairman there gave a ruling that no amendment could be moved or so. I do not know what exactly it is. I remember he has given

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such a ruling or reserved his final decision to a later date. Probably he has considered this fact that if amendments are allowed and accepted by the Government the Bill may have to go to the Assembly again."

MR. CHAIRMAN :—" Speaking subject to correction, I may say that this is a Bill which can be dealt with like any other Bill and the Government will take care of amendments. If hon. Members think of some other amendments which can be moved, accepted by the Government and passed, I do not think that clause (2) prohibits such amendments being moved."

SRI R. SURYANARAYANA RAO :—" I feel that if the Hon. the Speaker had not certified this Bill as a money Bill all these questions would not have arisen."

MR. CHAIRMAN :—" I do not think that amendments generally are prohibited. For example, we can make a recommendation by way of an amendment that we refuse to give our consent to the Bill; then it becomes open to the other House to throw it out. This is possible and I think it happened like this once or twice in the Central Legislature when the Congress party was in the Opposition."

THE HON. SRI B. GOPALA REDDI :—" Sir, that was only in the Lower House. Whether this House is competent to throw it out is the question now. This is Appropriation Bill, a Money Bill."

MR. CHAIRMAN :—" Why not this House also do it? In fact, I shall be glad if the Hon. the Minister would point out to me the provision in the Constitution which restricts the jurisdiction of this House to do the same thing."

THE HON. SRI K. MADHAVA MENON :—" Sir, if the other House throws out the Bill, the Ministry goes whereas if this House does it, nothing happens." (Laughter.)

MR. CHAIRMAN :—" I do not know if the Hon. the Minister is correct. Suppose this House throws out the Bill; does not the Ministry go? "

THE HON. SRI K. MADHAVA MENON :—" No, Sir."

MR. CHAIRMAN :—" Why? "

THE HON. SRI K. MADHAVA MENON :—" There is a provision in the Constitution that if this House throws out the Bill, it has only to be passed once more in the other House."

MR. CHAIRMAN :—" I am not talking about the Constitution or its provisions. This House is as important as the other. What is then the position of the Government? They have to maintain their strength in this House as well as in the other. So, if this House is not prepared to stand by the Government, I do not know whether the Hon. the Minister will be justified in saying, ' if this House does not stand by us, the other House will support us '. This is the position which the Government should consider."

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SRI R. SURYANARAYANA RAO :—“ We feel somewhat embarrassed by the certificate given by the Speaker.”

MR. CHAIRMAN :—“ I think this is the first time we are dealing with such a Bill. We will proceed as usual and try to get better knowledge and experience. In the light of these facts, we will take such action as we think necessary in accordance with the Constitution.”

* THE HON. SRI K. MADHAVA MENON :—“ May I draw attention to Article 198 which relates to Money Bills as distinct from other Bills which are governed by Article 197? It is clear that it is open to the Council only to make recommendations, if any, to the Assembly. It is up to the Assembly to accept them and pass the Bill or straightway reject the recommendations and pass the Bill. The Council cannot throw out a Bill. There is also a clause saying that if the Bill with or without recommendations, is not returned to the Assembly within fourteen days, the Bill will be deemed to have been passed by both the Houses in the form in which it was passed by the Assembly.”

MR. CHAIRMAN :—“ Whether the Council throws out the Bill by means of a motion or makes a recommendation to the Assembly that it be thrown out, is all the same. It does not mean that no amendments can be tabled.”

THE HON. SRI P. S. KUMARASWAMI RAJA :—“ What about the effect of such a recommendation? ”

THE HON. SRI K. MADHAVA MENON :—“ Can there be an amendment which negatives the very purpose, the entire purpose of the Bill? ”

MR. CHAIRMAN :—“ It is not like that. The Opposition may say, when the motion is made by the Hon. the Minister that the Bill be taken into consideration, that it be taken up some time later. That is also a Motion.”

SRI B. NARAYANASWAMI NAIDU :—“ I may move that the Bill be taken into consideration on Monday.”

THE HON. SRI B. GOPALA REDDI :—“ Can they move that the Appropriations Bill be referred to a Select Committee? ”

THE HON. SRI K. MADHAVA MENON :—“ Clauses 4 and 5 of Article 198 are very clear.”

MR. CHAIRMAN :—“ We may send back the Bill saying that we do not accept it. In that case also, it amounts to throwing out the Bill. After all, it is a difference in words.”

SRI R. SURYANARAYANA RAO :—“ So, can we make recommendations without reducing the amounts or altering the destination? ”

MR. CHAIRMAN :—“ My only knowledge is this. In the first place, we may say, we do not agree. Secondly, we may refer the Bill to a Select Committee. Thirdly perhaps, we may move

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for an adjournment of the discussion to a later date, provided it does not come under the mischief of clause 5 of Article 198 which stipulates a time-limit of 14 days."

THE HON. SRI B. GOPALA REDDI:—"Can they say, while passing the Bill, we further wish that the Dearness Allowance paid to the Government servants be enhanced or some such thing?"

MR. CHAIRMAN:—"I do not think we can make such a recommendation. Recommendations must be with reference to definite proposals for which appropriations are made in the Bill."

THE HON. SRI B. GOPALA REDDI:—"The best thing would be to discuss all these points at a Speakers' Conference at Delhi." (Laughter.)

* DR. V. K. JOHN:—"I feel that the whole question is governed by Article 164 (2) of the Constitution which says that the Ministers shall be collectively responsible to the Assembly. They are not responsible to this House at all. Then there are Articles 198, which is very important and 204, which lays down procedure. The position is very clear that this House can only make a recommendation that a money Bill be rejected or modified and we must send the recommendation within fourteen days. The constitutional position is quite clear and simple."

JANAB ABDUL LATIF FAROOKHI:—"My point has not been cleared. I want to know in what form we should make that recommendation, whether it should be a motion or a resolution or a mere suggestion in the course of the speech."

MR. CHAIRMAN:—"It is on very elementary principles that the hon. Member wants me to enlighten him. Any recommendation must be in the form of a motion."

DR. V. K. JOHN:—"You can make only recommendations that do not offend Article 204 (2)."

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SRI M. NARAYANA MENON:—"What shape the recommendation should take? Can we give it in the form of a resolution? For instance can we give a resolution saying that the commuted value of pensions ought to be omitted? I am only suggesting this as an example and want to know the correct procedure."

THE HON. SRI B. GOPALA REDDI:—"You are then altering the destination of the demand."

MR. CHAIRMAN:—"The Hon. Minister for Finance may now move the Motion."

THE HON. SRI B. GOPALA REDDI:—"Sir, I move—
'That the Madras Appropriation Bill, a 1950, as passed by the Legislative Assembly and transmitted to the Council be taken into consideration.'

In a statement I made earlier to this House, I have explained the circumstances in which this Bill has to be moved in this House.

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As explained in the Statement of Objects and Reasons, this Bill is brought forward under Article 204 of the new Constitution to give formal legislative approval to the appropriations out of the Consolidated Fund of the State for the year 1950-51 as approved by the Legislative Assembly.

"Under Article 204 (2) of the Constitution, no amendment can be proposed to this Bill which will have the effect of varying the amount or altering the destination of any grant or of varying the amount of any 'charged' expenditure."

MR. CHAIRMAN :—"But the point raised was that it may not vary the amount but omit the amount instead of varying it."

THE HON. SRI B. GOPALA REDDI :—"That is altering the destination. It is going to be diverted to loop line."

MR. CHAIRMAN :—"By omitting it, we are not altering the destination of the grant."

THE HON. SRI B. GOPALA REDDI :—"That means that we are preventing it from reaching its destination."

MR. CHAIRMAN :—"That might be but it is not prevented. Clause (2) of Article 204 merely says that we should not alter the destination. That is all."

THE HON. SRI B. GOPALA REDDI :—"That is like the Calcutta Mail disaster."

MR. CHAIRMAN :—"Some people may still survive from the disaster." (Laughter.)

DR. SYED TAJUDDIN :—"Our Chairman is an example."

MR. CHAIRMAN :—"Has the Hon. Minister finished?"

THE HON. SRI B. GOPALA REDDI :—"Yes, Sir."

MR. CHAIRMAN :—"Motion moved—

'That the Madras Appropriation Bill, 1950, as passed by the Legislative Assembly and transmitted to the Council be taken into consideration.'

* JANAB ABDUL LATIF FAROOKHI :—"Mr. Chairman, let me first of all express my wholehearted joy at seeing you to-day in your post of duty. (An hon. Member : 'It is the second day,') Though it is the second day to-day you look more hale and hearty and so full of spirit, Sir. (Dr. T. S. S. Rajan : 'You are not a Doctor') I am not a Doctor, Sir, but I have a Doctor by my side."

MR. CHAIRMAN :—"I hope, I am not in the Appropriation Bill." (Laughter.)

* JANAB ABDUL LATIF FAROOKHI :—"I refer to all these things because it is common human experience that when a man is involved in tragic circumstances, he is preserved by God for

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something higher, for something nobler and for something greater. Therefore we hope, Sir, that you are spared for these big things. During your absence, Sir, the Deputy Chairman acted up to the great principles set by you and he has been very kind and generous not only to the other side but also to the Members of the Opposition.

" This Appropriation Bill has come before us for the first time and it is therefore our new experience and therefore we can say something about the budget that was presented now, the last budget and the supplementary demands. In anticipation of certain savings due to retrenchment, the budget figures of 1949-50 were kept low. Now there are no savings. It can, therefore, be presumed that savings were shown with a view to ward off criticism. (Interruption.) The original provision in the budget for 1949-50 was 56 crores and there was a deficit of four crores. In the supplementary demands a sum of Rs. 8 crores was required. That shows that the deficit was actually not 4 crores but 12 crores. (Interruption.) This is not a small sum (the Hon. Sri B. Gopala Reddi : ' Which year ') for the year 1949-50. (The Hon. Sri B. Gopala Reddi : ' I am going to give surplus for 1949-50. ') The whole difficulty is this. At the end of the year when the Finance Minister says that he is going to give a surplus, it is difficult to understand why at the beginning a deficit was shown. That shows that the budgeted figures were much higher than what the actual expenditure was and how this amount came has not been explained. From where have the receipts come? That is a question that has got to be answered. At the fag end of the year supplementary grants are made on token demands of Rs. 100 after the whole amount has been spent. I do not know how the Accountant-General is passing all these amounts. It is rather difficult to understand. The Accountant-General of Madras or for the matter of that any other Accountant-General is under the Union Government and he is not subordinate to the State Governments. He has to see that the sanction of the Legislature is accorded for any expenditure. It is only after that that the Accountant-General can allow this expenditure. In my opinion the Accountant-General is not only losing his own power but he is curtailng the power of the Legislature by sanctioning these amounts. Therefore, at the fag end of the year when the Finance Minister comes with a supplementary demand it is difficult to understand how these expenses have been met. Now the Finance Minister says that there is going to be a saving when actually he showed a deficit at the beginning of the year.

" In the Supplementary Demands there was a demand for about a crore of rupees to be more precise about, 80 lakhs or so for the Police Department. In spite of the huge expenditure the Police have not been able to maintain law and order as they should have maintained. I do not say that law and order are not maintained. My only grievance and my only complaint is that law and order have not been maintained as they ought to have been maintained. The reason is, I feel, so many departments are thrown upon the Police. You are throwing the duty of enforcing

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Prohibition on the Police Department. And now there is this Fire Service. It must have been an independent organization. The Fire Services in any civilized country, in any modern country, must be an independent organization. Now the Fire Services have become an auxiliary department of the Police Department with the result that the Fire Services Department which ought to protect the life and property of the people, in many cases are not able to function at all. If my information is correct, and I am speaking subject to correction, the late Inspector-General of Police Mr. Vijayaraghavan was opposed to amalgamating or making the Fire Services a subordinate department to the Police Department. The Commissioner of Police Mr. Patro, I am told, was also opposed to making the Fire Services Department a subordinate department of the Police Department and the Hon. Minister for Finance, if I may quote him, said in the Assembly on 16th March 1949 during the course of a debate that he was himself opposed to it. Such being the case, it is essential that this department should be kept as an independent service. There is not much of enthusiasm among the people in the Fire Services, the subordinates and officials, because there is no scope for promotion. The Police bosses will dominate over these people. They cannot have independent judgment and independent opinion. They cannot take independent action. Therefore I feel that this department which is a big department ought not to have been amalgamated with the Police Department and made a subordinate department of the Police.

"Then, Sir, the other question comes in, in respect of this huge expenditure. The Hon. Finance Minister was very pleased with and I was glad to hear, he paid a great compliment to the members of the Secretariat staff. In spite of the overwork to which these people are subjected to and in spite of the sincere and hard work they put in, what is the consideration that they are given? What is the justice that is given to them so far as their emoluments are concerned. With this huge expenditure our own people are not satisfied.

"Then, Sir, if we come to the question of the good that has been done to the public, that is an old question and the whole complaint that every Member including Members on the Government side have pointed out to the Hon. Finance Minister is that the condition of the common man has not in any way been improved. I feel the Government of this State have not pressed upon the Government of the Indian Union the point that there should be free flow of articles from all sides and free imports. On account of restrictions of imports many difficulties have arisen. The poor man's budget has been very much affected. His own house and his own family have been affected on account of this. If there are no imports, there is no competition and prices go up. Recently the Economic Committee of the Ceylon Government recommended to the Government that there should be free imports. The reason they have pointed out . . ."

MR. CHAIRMAN :—"Which Government?"

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* JANAB ABDUL LATIF FAROOKHI :—“ The Ceylon Government. The reason they have pointed out is that the cost of living index has gone up to 271 points. Therefore the poor people are not able to make both ends meet. Now, what is the cost of living in our own State? Only yesterday it was reported in the Press that the cost of living index in our State has gone up to 283 points. Such being the case, I would urge upon this State Government to urge before the Government of India to see that at least for some time to come the imports are allowed into this country without any restrictions so that there might be competition and people might get the things easily . . . ”

THE HON. SRI B. GOPALA REDDI :—“ What about the depletion of the Sterling and the Dollar? ”

* JANAB ABDUL LATIF FAROOKHI :—“ Well, Sir, I am not an expert in finance. The Finance Minister can find ways and means to get over these difficulties. My only submission is that he must find some other ways, some other means to see that the cost of living is lessened. As a matter of fact the whole complaint against this Government is that the lot of the poor, the condition of the poor man has not been improved. The cost of the actual necessities of life has gone up so high that it is impossible for people to live. If a man has got an income of Rs. 200 a month, that man is able to make both ends meet this month but it is not possible for him to do the same next month. The prices of chillies, onions, and so many other things go up. Today I purchase a certain thing in the market for a certain price and tomorrow I go to the market for the same article and I find that its price has gone up. Such being the case, I would request the Government to do something to improve the lot of the poor man, the common man and the average man, who is not at all able to make both ends meet, when prices rise so high.

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noon.

“ Sir, recently a Subordinate Judge has been appointed as an accommodation controller. It is difficult to understand why this ordinary post should be occupied by a Subordinate Judge. With regard to questions relating to accommodation, the files are dealt with by the ordinary Tahsildar. Only four or five files go to the Collector and the Collector passes these four or five files to the Subordinate Judge. Should a gentleman occupying a big position and getting a big salary be put on this small duty? He will not be able to go about in the streets and find things out. He is not accustomed to executive work. Cannot an ordinary Tahsildar or a junior Deputy Collector be appointed for this work? ”

THE HON. SRI B. GOPALA REDDI :—“ A senior Deputy Collector? ”

JANAB ABDUL LATIF FAROOKHI :—“ A senior Deputy Collector will have to be paid a higher salary. A junior Deputy Collector or a Tahsildar will have to be paid only a smaller salary. If such an officer is posted for this work, he will be able to carry

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on this work perhaps with greater vigour than a Subordinate Judge who will probably be sitting in his chair without knowing the actual state of affairs."

THE HON. SRI P. S. KUMARASWAMI RAJA :—" A Subordinate Judge is a Judicial Officer and a Tahsildar is a revenue officer."

JANAB ABDUL LATIF FAROOKHI :—" This is executive work. A Tahsildar can be appointed. My information is that this work was entrusted to the Tahsildars and that this is a new appointment created and that a Subordinate Judge has been appointed for the first time. I do not know how far this information is correct."

THE HON. SRI B. GOPALA REDDI :—" Legal questions have to be settled by this officer."

JANAB ABDUL LATIF FAROOKHI :—" They can be referred to the Legal Department of the Government."

THE HON. SRI B. GOPALA REDDI :—" Many questions have to be decided by the officer on the spot. He cannot be referring to the Legal Department every time he has a doubt."

JANAB ABDUL LATIF FAROOKHI :—" I do not know, Sir. That is my suggestion. The Finance Minister can take it for what it is worth."

" Then, Sir, we are glad that we are meeting here to-day under circumstances which show a silver lining on the horizon of communal relations. The Prime Minister of Pakistan is coming to India on the second of next month and our Prime Minister is going to meet him. We are sure that our Prime Minister will have the backing of all the people in this Union, this great country, and that Muslims will not lag behind in offering their co-operation and loyalty to our Prime Minister. But then, Sir, I have got a grievance, a humble grievance to submit to the Hon. Ministers of the Government of Madras. That grievance is that no one, either on account of his religion or language, should be penalised and prevented from occupying a place in the Government service. The first charge of any Government and of any statesman, be he the Prime Minister of Pakistan or the Prime Minister of India or Prime Minister of any country in the world,—the first charge of the statesman of any country is the minorities of that State. Such being the case, I do not understand why Muslims alone should be penalised in regard to Government services, and why they are not taken in the Police department merely because they happen to be Muslims. I am certain, Sir, that our Ministers past and present—and when I speak of past Ministers I have in mind Ministers from the time when the Reforms were introduced, when our State was a Province, when there was Justice Ministry and Dyarchy—not one of them had communal bias. We approached the Ministers even in those days and we were satisfied and our requests were granted. I do not believe there is any Minister

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on the Treasury Benches who has got any communal bias. There might have been some fears in the minds of Ministers but those fears do not now exist. Our State should set an example to the other States. It has already set an example with regard to Prohibition, though my own feeling is that the Government have not carried out the policy of Prohibition in the manner in which it should be carried out. In my opinion it has not been a success, though they are spending lakhs and lakhs of rupees. Even in the Supplementary Demands there was a provision for Rs. 6 lakhs for the enforcement of Prohibition. I do not see why our Government are blind to the results of Prohibition. They should insist on their subordinates to see that Prohibition is a success. What is the use of spending lakhs and lakhs of rupees of the poor people, of the masses of the country, in a reckless way without knowing what the result is? Sir, our Province which has set an example in so many things should set an example in this matter also and remove immediately the ban on the entry of Muslims into the Police Department or the other departments.

“ Sir, it pained me to hear some of the views expressed by some of the members of the majority community, who said that Muslims here have got one leg in India and one leg on the other side of the border. There may be black sheep everywhere. There may be some Hindu gentlemen in Pakistan who may not be loyal to their own State. Does that mean that you should level allegations against the whole community, that they are traitors and that they have got one leg here and one leg there? Sir, history has provided ample instances of loyalty of Muslims towards their Hindu Masters and similarly of loyalty of Hindus towards their Muslim employers. Muslims have fought for Hindu Rajahs and Hindus have fought for Muslim Nawabs. For example, we have Sir Mirza Ismail who was the pet of the late Maharaja of Mysore and without whom the Maharaja would not do anything and in whom the Maharaja had more confidence than in anybody else. Then there is the Nizam of Hyderabad who had implicit faith and confidence in the late Maharaja Sir Kishen Prasad. When there are such instances, why should we be dubbed as traitors? ”

MR. CHAIRMAN :—“ I do not know if the hon. Member is correct in saying that Muslims are not taken in the police services because they are considered as traitors. I think the reason is to maintain certain communal proportions. That I think is the reason.”

* JANAB ABDUL LATIF FAROOKHI :—“ That is a different thing, Sir. I am now referring to some of the views expressed in the speeches in the Assembly. Of course I am only referring to press reports.”

MR. CHAIRMAN :—“ Speeches by whom? ”

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* JANAB ABDUL LATIF FAROOKHI :—“ Speech by one Dr. Subramania Ayyar of the Assembly.”

MR. CHAIRMAN :—“ I do not think the hon. Member need go into it. If any Hon. Minister has made such a speech, he may refer to it, but not to speeches made by some hon. Members.”

* JANAB ABDUL LATIF FAROOKHI :—“ These things appear in the press and they spread the poison. We should do our duty to see that the poison is removed as soon as possible.”

MR. CHAIRMAN :—“ The hon. Member may say that it is not correct.”

* JANAB ABDUL LATIF FAROOKHI :—“ I am only stressing the fact that we are not traitors and that Muslims are as loyal to the State as anybody else. Therefore let there not be these insinuations.”

SRI S. B. ADITYAN :—“ Not against the Muslims, but against the Muslim Leaguers.”

MR. CHAIRMAN :—“ Of whom, Mr. Farookhi is not one.”

* JANAB ABDUL LATIF FAROOKHI :—“ I may not be one of the Muslim Leaguers. There are no Muslim League or Muslim Leaguers here. Even the so-called Muslim Leaguers are not such after the 15th August 1947. The Muslim League does not exist after 15th August 1947. Sir, not one single Muslim has said anything . . . (At this stage Janab K. T. M. Ahmed Ibrahim rose to speak.) I do not yield, Sir; the Hon. Member may take his own chance. After the 15th August 1947, not one Muslim, to whatever party he may belong, did anything or gave expression to any views calculated directly or indirectly to mean that he is not loyal to the State. Whether they are Muslim Leaguers or non-Muslim Leaguers, I am speaking of Muslims as a whole. I can say it is to the credit of the Leader of the Opposition, whether he is a Muslim Leaguer or the so-called Muslim Leaguer, that he has issued very good statements in the matter of the Kashmir situation, the police action in Hyderabad, the celebration of the Independence Day and the Republic Day. The statements he issued on all these occasions are on record.”

* DR. V. K. JOHN :—“ Sir, I see the Hon. the Leader of the House sitting in the Visitors' Gallery. Is he going to sit there permanently, Sir? ”

MR. CHAIRMAN :—“ You must be glad that he is still in the House.”

* JANAB ABDUL LATIF FAROOKHI :—“ But outside the Chamber, Sir. There is a Persian proverb which says: ‘ I am like zero. If I am included in the figures, I increase the value of the figures. If I am out, I am nothing.’

“ Therefore I want to stress the fact that . . . ”

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MR. CHAIRMAN :—“ I think the hon. Member may cut short his remarks on this point.”

* JANAB ABDUL LATIF FAROOKHI :—“ I am going to leave the point that we are loyal to the State.”

MR. CHAIRMAN :—“ How many hon. Members want to take part in the debate? (Seven or eight hon. Members rose in their places.) Then there must be a time-limit for each speaker.”

* JANAB ABDUL LATIF FAROOKHI :—“ The whole difficulty is, unfortunately you were not present here the other day, Sir, and instead of one day, only 1½ hours were allotted for the supplementary demands.”

MR. CHAIRMAN :—“ I shall make the point clear. I went into the proceedings and found that there was some misunderstanding. After the new Constitution, the Budget has to come up by means of an Appropriation Bill before this House. Unfortunately the whole thing has to be done before the 30th of March. There are no Votes on Account. If Votes on Account were there, the Government can go on drawing on the Votes on Account and continue the administration. They can take any amount of time to discuss the Budget and the Bill and pass them whenever they like. The new Constitution came into force in January and there are no Votes on Account. Unless the Appropriation Bill is passed to-day, the Government cannot spend a pie day after to-morrow.”

DR. V. K. JOHN :—“ That is Government's fault.”

MR. CHAIRMAN :—“ I do not think it is the Government's fault. It is the fault of the Constitution coming into force in January. They could not have Votes on Account. Whomsoever's fault it may be, we should not be a party to paralysing the administration. The whole position came up like that. When the time for the discussion of the supplementary budget had to be fixed, the matter came up before us. We had to finish that also before the 30th. The Supplementary Budget had to be finished before the 30th; the Budget and the Appropriation Bill also had to be finished before the 30th. So we could allot only half a day for this House and half a day for the other House. Usually one full day used to be allotted for the discussion of supplementary budget, but this time we had to cut it down to half a day as we had to finish the whole thing by the 30th March.”

THE HON. SRI B. GOPALA REDDI :—“ The first supplementary budget was introduced in November 1949, and this is the second supplementary Budget. Last year we had only one Budget.”

MR. CHAIRMAN :—“ The fact is that we had to finish the whole thing by to-day. I am sure next year the Government will move for Votes on Account, so that there may not be any trouble

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and hon. Members can take as much time for discussion of various matters, as they like."

* JANAB ABDUL LATIF FAROOKHI :—" Then, Sir, I shall come to the separation of Judiciary from the Executive."

MR. CHAIRMAN :—" There are about half a dozen Members who want to speak; the hon. Member will please be short."

* JANAB ABDUL LATIF FAROOKHI :—" I shall finish within five minutes. This separation of the Judiciary from the Executive has increased the expenditure; we thought the expenditure would be decreased. Cannot the Hon. Finance Minister find some way to see that the expenditure is lessened? For instance, by enlarging the jurisdiction of the magistrates, or even by giving the Munsifs judicial powers—by some such thing expenditure can be cut down."

" Coming now to the Arthur Hope College of Technology, a sum of Rs. 5,53,500 is sanctioned for the construction of temporary buildings that will be found from the Supplementary Demand. One can understand if the construction is taken up and a building is erected which will be permanently available for the use of the people. What is the use of having a temporary building, I cannot understand."

DR. A. LAKSHMANASWAMI MUDALIYAR :—" If I may interrupt for a second, Sir, as one who raised the point on the Supplementary Demand, I am bound to say that the idea is that the buildings that are put up must be used permanently for other purposes of the college. All these are not altogether temporary constructions."

JANAB ABDUL LATIF FAROOKHI :—" I am thankful to the hon. Dr. Lakshmanaswami Mudaliyar for this enlightenment. We were not able to find from the Demand what the actual position was; and so I thought these would be temporary constructions on the lines of the sheds we used to see during the days of the war for military purposes, which are now vacant or are being demolished. Therefore I thought this was unnecessary expenditure; but from what I hear now, I feel it must be justified."

THE HON. SRI B. GOPALA REDDI :—" The hon. Member may please confine his remarks to the supplementary Demand."

JANAB ABDUL LATIF FAROOKHI :—" What are the other things I can speak about? There is no other thing. Then we find, Sir, a huge recurring expenditure to the extent of Rs. 1½ lakhs and a non-recurring expenditure of Rs. 6 lakhs for Firka development. This is a department about which I have my own misgivings. It does not serve any useful purpose."

MR. CHAIRMAN :—" You may refer to your speech on the Budget."

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JANAB ABDUL LATIF FAROOKHI:—"I request the Government to find out whether this department can be made more useful; as by so doing, the Government will be not only saving some money, but will be putting more useful work for the benefit of the public. This aspect, Sir, should be taken into consideration.

"Lastly, Sir, I wish to refer to the Fire Service. I would request the hon. Minister to appoint an enquiry committee with regard to this matter, in order to find out whether—I do not claim to have expert knowledge about these things; it may be the Government may be right or wrong; after all they are not infallible; they may err and we may also err—an enquiry committee may be appointed to find out whether the present position of subordination to the Police department is correct, or whether it is necessary for this department to be an independent department. If a committee is appointed, it will satisfy not only the public who have got grave misgivings about the attitude of the Government with regard to this department—the public feel they are giving a step-motherly treatment to this department—but it will also help the Government to find out whether the stand they have taken is correct or not.

"I thank you, Sir, once again for having given me this opportunity to speak."

SRI K. VENKATASWAMI NAYUDU:—"Mr. Chairman, Sir, since I had no opportunity to speak on the Budget before, I crave the indulgence of this House at this late hour to say a few words on some important matters which I wished to touch upon at the time of the Budget.

"Mr. Chairman, Sir, Rs. 98 crores to be appropriated in this Appropriation Bill is a very good guarantee that next year we will be doing really good work for this State. I am particularly hoping that we will be spending nearly one-third of this amount on nation-building activities,—Education, Civil Works, Industries and Electricity claiming the largest share. I only want that these amounts must be usefully spent, so that the people of the State can get the best advantage out of the nation-building activities.

"I would like to refer, Mr. Chairman, to one important matter in which the Government feel very much interested, i.e., the housing schemes. We have made some good progress; but just now I feel the Government are slowing down this work, and this year I find there is not much amount available for housing schemes. After what we have done for some time now, we find that the present system must be changed a little bit if really we are to help those classes of people who really deserve help. For instance, if a man wants a house, the least he should be prepared to pay in the first instance is Rs. 4,000 to Rs. 5,000. A lower middle-class man cannot have that amount with him. He has got to pay the value of the house-site and he has also to pay one-fifth of the house value. These two alone come to Rs. 4,000 to Rs. 5,000. Where is that amount of ready money in the hands

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of the middle-class man? What I suggest is that Government may be pleased to allot vacant sites wherever available in all cities free, for such house-building activities. What happens now is that, they have to pay Rs. 500 to Rs. 600 for amenities in this City; it may be a similar amount in other cities also. So, for one ground he pays Rs. 500 or Rs. 600 and gives another Rs. 2,000 as initial deposit. I want the Government to devise some means by which the lower middle-class man can get the benefit of the housing schemes. In cities like Madras there is still great difficulty in getting houses and it is the duty of the Government to see that such help is given to the people as is possible.

“As regards acquisition of house-sites, that is a matter that takes the longest time. I heard there was going to be some amendment of the law by which acquisitions can be expedited and completed as expeditiously as possible, if they are for public purposes. We find that acquisition proceedings generally take many years. Even after the house societies were formed, we find there are societies which for more than two years have not been able to acquire sites for building purposes. It is very necessary that expeditious steps should be taken to acquire house-sites for building purposes and also for clearance of undesirable things. I can give you one small instance. In Tirumalai Hills, there are undesirable shops and houses round-about the temple and the tank. The Hon. Minister is also anxious to give us the benefit of acquiring these undesirable buildings, I know; but it takes such a long time, and the Government feel helpless in the matter. I hope the Government will devise some means by which acquisition can be expeditiously made, as they do sometimes for military purposes.

“Then, Sir, as a City representative, I have got to speak something about the City's requirements. The City is expanding and more and more extra space is being added on, for which amenities have got to be provided. We have to take loans, but neither the Government themselves give us the loans, nor do they allow us to take the loans from others, with the result that a lot of improvement work is being delayed. In this year's budget, very little money is set apart for this purpose, I think only about 50 per cent of what they used to give as loans. For want of money, so much of important work is being delayed. In regard to Shenoyanagar, there was an understanding that for five years a loan of Rs. 10 lakhs each year would be given; but I think Rs. 25 lakhs was given and the balance of Rs. 25 lakhs has not been given, so much so the work has stopped, and it is left half done. It is very necessary that the Corporation must be given a loan necessary for this purpose. I request the Government to see that we get some more loans; I do not find especially any justification whatever to stop these loans for housing purposes.

“As regards Firka development, Mr. Farookhi said it is a waste. I do not think so, if only our Council Members go about

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and see what real work is being done, they will really appreciate that it is work which cannot be easily advertised. It is a work which is worth seeing, because we may know that by that method, our villages can be made better. We are thinking of village uplift, but we do not do anything for it. This is the one way by which we are trying to do something for our villages. I would request the Government to give good facilities to our Members to visit the firka development schemes and give due publicity to them, so that the public may fully appreciate that this work is really worth doing and that it is being done well.

"Another important matter I wish to refer to is with reference to the hospitals, especially city hospitals which are very crowded. It is very necessary that hospital expansion and hospital requirements must be given the highest priority. I am connected with the Ophthalmic hospital as a member of the Advisory Committee. I feel that the poor blind people, whose eyes are tied up, are all crushed together in the small space available. This is one of the best hospitals in the country and we should do all that is possible to make it a first-class hospital as it should be.

"Yet another thing we have to do is that, being an Independent State, we should advertise our work. In this respect, the "Madras Information" is doing very good work. We must see that, that book is broadcast or sent out to as many people as possible. We must also encourage foreign tourists and advertise some of our very good places, and also make a little more money if possible in that way. I should like a Budget head opened for this purpose. The Government must see to it that we do some good business by attracting visitors to our State and by telling the very good places they should visit in our State. For that purpose, the broadcasting or propaganda section must do some pioneer work which I think they are now just beginning to do. That work must be accelerated.

"I do not want to say anything more. I hope the few points I have raised here will receive best consideration at the hands of Government, and that during the coming year, some progress will be recorded."

DR. A. LAKSHMANASWAMI MUDALIYAR :—"Mr. Chair-^{12-30 p.m.} man, Sir, you have realized our difficulty in offering any remarks on this Finance Bill that has been, for the first time, placed before this House. The difficulties are considerably enhanced by the fact that the information available for the Members of this House is so meagre and if occasionally we do commit errors in the statements we make, I hope, we shall be excused, because the fault is not entirely ours.

"Sir, this Finance Bill represents the total amount of 77 crores and odd, besides the charged amount of 21 crores and odd, i.e., a total of Rs. 98 crores and it is really almost a 100 crores. Sir, when the Supplementary Budget was brought forward just a week before

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the closing of the Budget of the year, I ventured to suggest that it was extraordinary that such a large amount should be shown as Supplementary Budget, an amount which would come nearer 10 crores, rather than 8 crores shown in the Supplementary Budget. The position with regard to Supplementary Budgets is a little more anomalous after the passing of the Constitution Act. I would like to refer the Hon. Finance Minister to Article 266 (3) of the Constitution which lays down in what manner any Money Bill can be passed. So far as I can understand that particular Article of the Statute, it will not be possible for any Government to incur any expenditure in excess of the grants made by the Legislature in the future without definitely coming forward before the Legislature with an Appropriation Bill of the nature contemplated. In other words, it will not be possible for the Government to take advantage of any excess income that may be derived, and utilize it for such purposes, well-meaning though they may be, until they get the specific approval of the Legislature. The Hon. Finance Minister in the course of his reply to the debate said that the Sales Tax income which was estimated at a little over 12 crores, will be actually 15 crores of rupees. I asked the question, how is this three crores to be utilized if they do not come forward with one scheme or other. I may mention the way in which Budgets are framed, and excess income is utilized by the Government—it is not only now—there is unfortunately a tendency in the Government, in all departments of the Government, that amounts that are allotted for a particular account, should be expended before the 31st March; otherwise they will lapse. This goes on to every department, to every section of the department and to every individual institution, with the result that there is a feverish activity on the part of the members to somehow or other utilize the amount allotted, because they cannot get a recurrence of the amount. This has led to a great deal of wastage in expenditure. In my opinion it is not a safe method—but a hurried method—of obtaining either goods or any other commodity that may be required. The way in which this can be prevented is by what are known as Block Grants, a system that has been introduced in the University, which is working exceedingly well and a system with which the Government themselves came forward to afford help to the University, by way of Block Grants. The result of that system is, any amount that is allotted to a particular department and need not be surrendered at the end of the financial year and the department can be in a position to plan out a methodical way of expanding with such grants as may be given by the Government. In particular, this will be exceedingly useful to what are known as nation-building departments, like the Department of Education, for instance, and the Departments of Medicine, Public Health and the Department of Industries perhaps. This is a matter where I would request the Finance Minister to bestow his attention and see whether the old outmoded policy of this Government should still be continued under this Constitution.

“ Sir, there is another thing I wish to refer. You will find under the General Sales Tax and other Taxes and Duties, a very

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large amount—nearly 14 crores—is expected. I wish the Finance Member to realize that the 'Kamadhenu' which he has now in his possession may not always be yielding the measure it is expected to yield. The General Sales Tax is a tax which gains not by arithmetical progression, but by geometrical progression till when it comes to the last man who has to purchase the commodity, he has to pay sales tax at least three or four times over and get the goods. Let me explain it. If a villager wants to get particular goods, some commodity or other, then the sales tax on the particular commodity is first of all paid by the head organization which has got large dealings in this particular commodity, whether it will be chillies, or iron or cement or anything else. Then that has got to go to the subsidiary agencies in big cities, then from the subsidiary agencies it has got to go to the subsidiary agencies at the headquarters of the district and from there to the subsidiary agencies in the taluk and lastly to the village, so that the villager who has got to get this particular commodity has got to pay sales tax all through the line, because that is added at every stage. Not only he has to add in sales tax, but what is more important to remember is, that for the purpose of collecting sales tax, each one of these organizations has an establishment, which establishment charges also he will add along with the sales tax to the original price of the commodity before it is sold out. That is why I ventured to suggest that this sales tax is a sales tax which goes in geometrical progression and the lower you go the persons who are ultimately in a position to meet the demand are asked to pay a higher level of sales tax. That is a point to be considered. I know, the Hon. Minister, in the other place, mentioned an inclination or a desire to set up a sort of commission to go into this question. Now, with regard to the sales tax itself, I wonder whether the Finance Minister realises that there are provisions in the Constitution today which may prevent him from collecting the whole amount of the sales tax and which may seriously reduce the amount of sales tax. There are two articles in the Constitution, Article 286 (2) and 286 (3) whereby unless the President decides otherwise, the existing level of taxation should not be interfered with before 31st March 1951. So, there is a possibility that the Parliament by enacting legislation can lay down what are the commodities, what are the goods, on which sales tax can be levied under the Statute. The hon. Member naturally felt aggrieved at it. I ventured to suggest, on that occasion it was probably the entire responsibility of the hon. Member and his associates. In the absence of any peoples' representatives in the Dominion Parliament, naturally many things can be done and in different ways. Unfortunately, the general public have no representatives of their own in the Parliament of the country. There are of course, people who are parliamentarians, but they do not do anything to the general public or the electorate, except that they have been nominated by persons who had power to nominate them. That apart, I wish to suggest that the question of sales tax is one that deserves very important consideration at the hands of the Hon. Minister, both in point of possibility of getting income that he hopes to get in future years and more particularly, in the manner

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in which some relief must be given to the poorer sections of the people, on whom, I venture to state, the sales tax is the heaviest burden.

“ On going through this, I find there are certain items of expenditure which are debited to current revenues, to payment of compensation to landholders on the abolition of the zamindari system. On a former occasion, I referred to the fact that the amount that has been put as one crore odd for the very many zamindaris to be taken over by the Government is not at all commensurate with the needs of the situation. I venture to suggest that this amount when distributed over all these zamindaris each of them will get such a small amount . . . ”

THE HON. SRI B. GOPALA REDDI :—“ It represents the advance amount of compensation to be given for the first batch of zamindaris taken over.”

DR. A. LAKSHMANASWAMI MUDALIYAR :—“ I know these advances are given, but what is the result? On the day you take over a particular zamindari, the zamindar is deprived of all income completely and he is, so to say, an out-cast from the zamindari area. Now, if you deprive him of all income, what is the sustenance on which he is to get on? The sustenance is the advance payment for all time to come. This will never give him any interest beyond what interest you can get for the maintenance of the zamindari . . . ”

THE HON. SRI K. MADHAVA MENON :—“ They also get yearly allowance.”

DR. A. LAKSHMANASWAMI MUDALIYAR :—“ If there is any yearly allowance and advance payment also, the mischief created by this may be much less. I hope it will be realized that when you take over the zamindaris, a speedy settlement of the issues must be made, because after all is said and done, we have done so much by various anticipatory measures of legislation to reduce the amount that can be given to them that it can do credit to the very author of Artha Sastra which this Government have unfortunately imitated to a larger extent than I expected. But, my complaint is this. If this compensation is to be given, why should it be charged to current revenues . . . ”

THE HON. SRI B. GOPALA REDDI :—“ Compensation is debited to capital outlay and not to current revenues.”

DR. A. LAKSHMANASWAMI MUDALIYAR :—“ Well, Sir, I did not find it under Capital Outlay and hence my impression. If it is debited to Capital Outlay, then I have not got much criticism to make.

“ Then, Sir, under item 41, there is an account relating to Capital Outlay on Schemes of State Trading for which a token grant of Rs. 100 is put down. I have taken some pains to show how this token grant that is proposed may be not as satisfactory as it should be. There is nothing to suggest what is the particular

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reason for this Rs. 100 token grant, what are the State Trading Schemes, and how the previous State Trading Schemes have worked and what is the financial result so far as the State Trading Schemes are concerned. To ask for a token grant without knowing what are the State Trading Schemes which the Government contemplate taking over, seems to me a large demand made on the Legislature. I hope the Government will come forward with details on another occasion and get the approval of the Legislature before they take up the question of State Trading.

" Sir, there is one other point which I would like to refer. Government are anxious to see that in view of the constitutional changes that are to be introduced, proper accommodation for the two Houses is made available. I understand from the papers that this matter is immediately engaging the attention of the Government."

MR. CHAIRMAN :—" The hon. Member may also be concerned in it."

DR. A. LAKSHMANASWAMI MUDALIYAR :—" That is why I venture to suggest. Of course, suggestions of the Government do not worry me to any extent. I saw a suggestion put forward that the Senate House may be taken over once again as it was done almost 13 years ago. The difficulty with the University is, the number of students are increasing to such a large extent, and the number of examinations are so many, that it is hardly possible to find adequate and proper halls to conduct these examinations with any degree of safety. I am not suggesting for a moment that when the Government want a thing like that—and we know their urgency—the University is not likely to pay adequate attention, more than adequate and considerate attention, to a request like that. But, I would suggest that there are difficulties in the University, as they have to see that the examinations are conducted and conducted in a proper manner. At present, I cannot express any opinion and, I am not competent to do so, because when such a request comes, it has to go before the Syndicate.

" Then, Sir, in regard to some of the other demands that have been made, I hope it will be possible to see that some high priorities are given in the matter of education, for instance. I have always held the view that far more important than anything else is the spread of elementary education and while we do sympathize with adult education, let us not confuse the issue. Children have to be allowed to grow up to adults before they are given the privilege of education. Otherwise it will really be over-emphasising adult education. In taking some serious steps to see that primary education is extended all over the country, we do not want to fall into the trap of the Finance Minister, because in these days when sentiment overrules every thing else and certain artificial agitation can be created for this or that demand, Government themselves may to such influences. So, the proper way is to see that first priority is given to the greatest needs of the country in preference to other demands.

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" The next elections, in view of the adult franchise that is proposed to be given to us, I believe, will come out more or less just like the nectar that was got from churning the ocean—but who will be there to drain the poison, I cannot say. If the gift of adult education comes to be given and adult franchise follows it, let us not go with the idea that it will give us a very much more enlightened electorate, because they happen to know how to read and write. In fact, it has been suggested that education is not altogether an unmixed blessing it may seem strange for me to make that remark—and unless the proper type of education is given, the result will be much more disastrous than we anticipate.

" Lastly, Sir, I should like to say this with regard to procedure, that for this and other Finance Bills, it will be more in the fitness of things if a somewhat detailed statement is given and a full review of the working of the Finance Department in the previous year and of the future were presented to the House. I made such a suggestion when discussing the Supplementary demands and it will be a very good thing if the Hon. Ministers care to follow the suggestion. Every one of the Ministers may make a short speech explaining to the Opposition the particular Demand in his charge and not leave it to the Finance Minister to cover forty Demands and say a few words here and there; in that process, many gaps are left and therefore, much of the time of the House is wasted because there is a great deal of ignorance on the part of the House which is due to lack of information vouchsafed by the Ministers. My Friend Mr. Farookhi called my attention to a particular item of expenditure and quite rightly so and I would not have been able to give the House information regarding it had I not known the correspondence in the matter. Because of that I was able to give him the information. It should not be like that."

DR. V. K. JOHN :—" What about the ignorance of the treasury benches, Sir? "

DR. A. LAKSHMANASWAMI MUDALIYAR :—" It should not be left to hon. Members to make comments on some large items of expenditure or on questions of policy without the Government themselves coming forward in the first instance with some explanation. Evidently this Council is going to be a permanent institution unless there is going to be a move in the contrary direction according to the Constitution and this House has an additional function to perform, namely, of expressing an opinion on such things, which may or may not be listened to by the treasury bench, of discussing finance Bills and of moving amendments to them, about which it knows not now how to move. In the light of that, I venture to suggest that more information ought to be made available to members of this House by way of explaining the Government's view point on particular demands by the Ministers concerned. I hope this suggestion will be accepted and there will be a possibility of a more appreciable discussion on the part of this House of the Finance Bills and the Budget in future years."

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MR. CHAIRMAN :—“ I have listened with interest to the suggestion of the hon. Member and I also read in the papers his speech on the last occasion, in which a similar suggestion was made. But there are some relevant factors to be considered and one such is the time factor. So far as my experience for the last three years goes, I could not find adequate time even for the reply of the Hon. Finance Minister. Such a lot of time has been taken up by the hon. Members that even one Minister had no adequate time to reply. The Deputy Chairman seems to have managed it differently; he provided some time for three or four Hon. Ministers to speak during the discussion on the Budget and I congratulate the Deputy Chairman for that. I certainly do not have any objection to do that kind of thing hereafter. But I wish to impress upon hon. Members that hon. Members must also have this time factor in their minds and see that their remarks are restricted to certain relevant portions of the measure under discussion. Instead of every Member trying to speak on every subject and every Demand, I would like, especially the Members of the Opposition, each one to concentrate his attention on one particular Demand and deal with it for half an hour and another Member might take up some other Demand and deal with it fully and efficiently and like that if hon. Members distribute the work among themselves, I am sure we will have enough time for all the Hon. Ministers to reply. I find that this time, records have been set up in the matter of length of speeches of hon. Members. Mr. Govindacharyulu took one hour and forty minutes and another Member took one hour and fifty minutes. If that goes on, I do not think we can expect Ministers to reply to all; they will be glad to be saved from the bother of replying if hon. Members take the whole time for themselves and they will say they have no time to reply. But if the House is prepared to co-operate, the Government also will be prepared to co-operate and as many Ministers as possible in charge of the respective portfolios will be as anxious as hon. Members to tell the House whether what hon. Members say is correct or not and how things are going on and they will co-operate with hon. Members.”

DR. V. K. JOHN :—“ You are so sure about it, Sir, but we are not Sir.”

THE HON. SRI B. GOPALA REDDI :—“ As compared with the number of days allotted for the general discussion of the Budget and for the discussion of Demands for Grants we have allowed more time. About fifteen days have been allowed for the discussion of the Demands in the Assembly; we have done much better than the Uttar Pradesh and both in the Council and the Assembly more time has been given.”

MR. CHAIRMAN :—“ But you can do still better, I am sure, provided my suggestion is accepted, namely of hon. Members trying to restrict their attention to one or two items and each Member speaking for not more than half an hour; of course the Leader of the House and the Leader of the Opposition may be exceptions

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but the rest of the Members must try to restrict their speeches to half an hour. Otherwise the four days which we got after considerable struggle will not be utilised in the best manner. You must be prepared to give four or five hours to the Ministers."

DR. V. K. JOHN :—" But Ministers are not prepared to give an account of what they have done and what they propose to do."

MR. CHAIRMAN :—" There is no meaning in asking them to reply if you are so sure about that."

DR. V. K. JOHN :—" So that the public may know it."

SRI R. SURYANARAYANA RAO :—" Mr. Chairman, Sir, I am very grateful to you for having drawn our attention to the time factor. I am one of those who often violate and exceed the time kindly allowed to me by you, Sir."

MR. CHAIRMAN :—" I am prepared to say that nobody violates what I want them to do and to that extent I am grateful to them but hon. Members should not put me to the necessity of calling their attention to the time factor."

SRI R. SURYANARAYANA RAO :—" After the discussion we have had about the scope for the Members of this House in dealing with the Appropriation Bill, one is inclined to feel that no purpose is served in taking part in the discussion on the Appropriation Bill."

MR. CHAIRMAN :—" Before we proceed with the business, I think it will be better if I inform the House of what I have in my hands. Mr. B. Narayanaswami Nayudu has given notice of a motion that the consideration of the Consolidated Fund Bill be adjourned to the 4th of April 1950 and the hon. Mr. Farookhi has suggested that the House recommends to the Government that the bonus sanctioned to the loyal members of the non-gazetted staff be distributed among all the members of the subordinate non-gazetted officers including those of the Legislature Secretariat. I am afraid, that, in spite of the fact that the hon. Mr. Narayanaswami consulted me beforehand, both these are out of order. An adjournment motion comes under Rule 67 of the Council Rules. It says :

'A motion that any business be adjourned . . . may be moved at any time without previous notice as a distinct question . . . Provided that nothing in this rule shall enable a member to move that . . . any business fixed by a special order of the Chairman or the Governor for a purpose for which they have power to appoint a day under the constitution or rules, shall be adjourned or postponed.'

This day has been specially appointed for the consideration of the Appropriation Bill by the Governor under the Constitution. I am afraid that the motion comes directly under the mischief of Rule 67."

THE HON. SRI B. GOPALA REDDI :—" At five o'clock, the discussion is guillotined."

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MR. CHAIRMAN :—" The question is about the motion for adjournment."

JANAB ABDUL LATIF FAROOKHI :—" Of course, Sir, the Governor has appointed the day for the discussion of the Appropriation Bill; but does it preclude Members from extending the discussion to any other day? "

MR. CHAIRMAN :—" The hon. Member has not understood me aright. I am saying that the motion for adjourning consideration of the Bill to the 4th April given notice of by Mr. Narayanaswami Nayudu cannot be made as the day has been fixed by the Governor specially for the purpose of considering the Appropriation Bill. I am not dealing with your motion."

JANAB ABDUL LATIF FAROOKHI :—" My submission is this, Sir. The Governor has fixed the day for the consideration of the Appropriation Bill but he has not precluded Members of this House from discussing it on any other day."

MR. CHAIRMAN :—" The rule is that it shall not be adjourned; any subject fixed for a particular day shall not be adjourned. The motion of Mr. Narayanaswami Nayudu is that the consideration may be adjourned to the 4th April. I am pointing out that under Rule 67, if a business has been fixed by a special order under the Rules or under the Constitution, it shall not be adjourned or postponed."

SRI B. NARAYANASWAMI NAYUDU :—" Mr. Chairman, Sir, it can be after all a matter of wording. Instead of the word 'adjourned' if I put in the words 'further discussed', will it not be all right, Sir? "

MR. CHAIRMAN :—" The consideration must commence and close today and cannot go to another date; there can be no doubt about that. That is the accepted procedure. If three days are fixed specially for a certain purpose, it does not mean that you can have the fourth day."

" As regards Mr. Farookhi's recommendation, under Article 198 of the Constitution, in the case of a Money Bill, not an Appropriation Bill like this in respect of which the procedure is prescribed by another Article, it should be a recommendation to the Assembly and not to the Government. In regard to Money Bills, you can move amendments changing the amounts. But regarding Appropriation Bills, Article 204 (2) says that no recommendation shall be proposed which will have the effect of varying the amount or altering the destination of any grant made."

THE HON. SRI K. MADHAVA MENON :—" The question of bonus was in the Supplementary Demand and not in the Appropriation Bill."

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MR. CHAIRMAN :—" It does not matter. The recommendation must be to the Assembly in regard to a Money Bill but regarding an Appropriation Bill, you cannot make any recommendation varying the amount; what other recommendation, can you make? "

JANAB K. T. M. AHAMED IBRAHIM :—" But some amendments can be moved even under Article 204 (2). "

MR. CHAIRMAN :—" I am not discussing what kind of amendments can be moved. The motion concerns a recommendation made to the Government that the amount should be distributed in a particular manner. Under Article 204 (2), it is not in order and, therefore, both the motions cannot be allowed. "

JANAB ABDUL LATIF FAROOKHI :—" You were kind enough to observe that we may make a recommendation to the Assembly. "

MR. CHAIRMAN :—" If the hon. Member goes through Article 198, he will find that the recommendation is to be made to the Assembly; if the recommendation is to be accepted by the Assembly, it must refer to the Bill and not to executive actions which are not before the Assembly; what is before the Assembly is the provision of the Bill. How can the Assembly accept your recommendations, when it does not refer to the provisions of the Bill. This is in respect of a Money Bill. But in regard to an Appropriation Bill, Articles 204 (2) regulates the procedure and you cannot apply Article 198 (2) to an Appropriation Bill. Article 204 (2) definitely bars varying the amount or alteration of the destination of the Grant. What is the recommendation the hon. Member is going to make to the Assembly; it is that the amount should be distributed in a particular manner. Is the Assembly distributing the amount? "

JANAB ABDUL LATIF FAROOKHI :—" The Assembly will request the Government. "

MR. CHAIRMAN :—" But it is not in this Bill. I am very sorry the hon. Member does not understand me. The matter before the Assembly is the Bill; I can understand it if the Assembly can interfere with the Bill in a particular manner so as to give effect to the recommendations of the hon. Member. If the Assembly is powerless to interfere in the matter of the Bill, changing the provisions of the Bill, what happens? The Assembly has passed the thing and it is also bound by Article 204 (2) of the Constitution and it cannot say that some amount covered by the Appropriation Bill be utilized in a particular manner. It cannot do it. "

1 p.m. JANAB ABDUL LATIF FAROOKHI :—" Are we to understand that this House has no power to alter anything? "

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MR. CHAIRMAN :—“ Not in the Appropriation Bill.”

SRI M. NARAYANA MENON :—“ If this House or the Assembly has not got any power to alter the Bill, what is the purpose of the Appropriation Bill? ”

MR. CHAIRMAN :—“ As per the previous Act all the grants were made in the form of Demands; now they are all put in the form of a Bill. Hereafter everything that is done is supposed to be done under a Bill.”

* SRI R. SURYANARAYANA RAO :—“ Mr. Chairman, Sir, I think the more we discuss about the powers of this Council, the worse they will appear, under this new constitution. But I welcome this Appropriation Bill for one thing. It gives us another opportunity to speak on the various Demands. Sir, you were good enough to fight with the Government and get us four days for the general discussion of the budget. There also, we could only speak, we could not move cut motions and discuss individual Demands; and we left it to Government to consider such observations as we made on that occasion. I think, Sir, now also if we repeat the same observations which we made then or make new observations in respect of those very Demands which have now come in the form of an Appropriation Bill, we do so in the fond hope that the Government will take note of them and see whether they can mend their ways or alter the destination or lessen the expenditure in respect of certain Demands and thereby remove the strain on the finances of the country.”

MR. CHAIRMAN :—“ I request hon. Members to go through the proceedings of the Constituent Assembly in respect of the Appropriation Bill. Perhaps they will find some guidance there as to what the purpose of this change is; the only purpose I can see is that it is put in the form of a Bill.”

SRI R. SURYANARAYANA RAO :—“ Sir, the Hon. Finance Minister said in the course of his budget speech that he did not find it possible to carry out any measures of retrenchment to bring down expenditure. Sir, I wonder whether he and his colleagues are aware that public feeling in this matter is that this Government is guilty of squandermania, that large amounts are being spent, and that is also the opinion of many members of this House, for which the results are not commensurate, and so what happens is, the poor citizen is being overburdened with taxes, which he pays grudgingly. In this connexion, Sir, I would like to draw the attention of the Hon. Finance Minister to a few facts regarding public expenditure of this State. During the last ten years, the public expenditure of this State has risen by three and a half times. Of course, he may reply to that by saying, that we should congratulate ourselves on that, because, comparatively the rise of public expenditure in this Province is much less than in other provinces of the Union. Sir, the *per capita* expenditure according to the Economic Adviser to the Government of Madras is as follows :—

‘ In 1939 it was Rs. 3-5-11 and today it is Rs. 10-5-5. Sir, the tax revenue in 1938-39 was Rs. 12 crores, and today it

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is Rs. 38 crores. The non-tax revenue was Rs. 4.5 crores in 1938-39, and in 1949-50 it is Rs. 18 crores. The income from irrigation, electricity, registration and forests, etc., is brought under non-tax revenue. And the whole total revenue has risen from Rs. 16 crores to Rs. 56 crores, and the expenditure also has risen from 16 crores to Rs. 56 crores. May I ask the Hon. Finance Minister whether it was not possible for him to examine the modest recommendations made by the Retrenchment Committee ' (?) "

THE HON. SRI B. GOPALA REDDI :—" They are not modest."

* SRI R. SURYANARAYANA RAO :—" I say, Sir, the modest recommendations of the Retrenchment Committee."

MR. CHAIRMAN :—" You cannot object to his saying they are modest? "

* SRI R. SURYANARAYANA RAO :—" Sir, that committee suggested only a retrenchment of four crores out of 56 crores. Is not ' four crores ' a modest sum compared with the expenditure of 56 crores? And, Sir, the reason advanced by him is that the heads of departments were not willing to cut down expenditure on items suggested by the Retrenchment Committee. Sir, it is not for the heads of departments to say that; it is for the Government to tell them what the policy is and ask the heads of departments to adjust their expenditure accordingly. I tell the Hon. Finance Minister, even if he raises one hundred crores revenue they will find expenditure for the one hundred crores! "

THE HON. SRI B. GOPALA REDDI :—" I will rather be guided by members of the legislature than by the Retrenchment Committee."

* SRI R. SURYANARAYANA RAO :—" I am glad that he has said that he would be guided by the members of the legislature, though he is not good enough to carry out the recommendations of the Retrenchment Committee. I am sure, from what I read in the papers of the speeches delivered in the other House and from what I hear of the speeches delivered in this House, everybody feels that there is scope for retrenchment. If he is not convinced of that, I am sure he cannot blame the people, if they say that this Government are guilty of squandermania."

MR. CHAIRMAN :—" One point I would like to know. What will be the result of retrenchment? It will create further unemployment, and then hon. Members would come forward with the complaint that Government have increased unemployment. So it will create another problem."

THE HON. SRI B. GOPALA REDDI :—" Not only that; it will double the work of the Services and that will result in their lack of efficiency."

MR. CHAIRMAN :—" Apart from lack of efficiency, it will create another problem for the Government."

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* SRI R. SURYANARAYANA RAO :—" Sir, I wish that report had been discussed in this House in all its aspects including the one you were pleased to mention now. Unfortunately, the Government have neither afforded an opportunity to this House or to the other House. My point in referring to it is this, Sir. The tax revenue of this Province was originally twelve crores, and to-day it is thirty-eight crores. So, this Province is being taxed heavily. Is there no way to find relief to the tax-payer? That is my point. Whenever we speak of relief in taxation, the Hon. Finance Minister, perhaps, does not feel very comfortable, and he says, 'if you want essential services to be maintained, you must be prepared to pay for all that.' Sir, it is a very easy way of disposing of a big question in that way.

" Sir, in this connection, I would like to quote what a Member of Parliament said in the House of Commons sometime back, and his words are quite applicable to our friend, the Hon. Finance Minister—

'The Chancellor is rich in exhortations and in implications. He cracks the Whip, but he adds to the burden all the time. Until that practice is reversed and until a start is made with easing the burden we shall be getting deeper and deeper into trouble.'

" Sir, I gave the same warning to the Hon. Finance Minister."

THE HON. SRI B. GOPALA REDDI :—" Who is that member? "

MR. CHAIRMAN :—" Somebody."

THE HON. SRI B. GOPALA REDDI :—" He represents some big concern evidently."

* SRI R. SURYANARAYANA RAO :—" I do not think so, Sir. If he had been so, he would have become a Prime Minister."

THE HON. SRI B. GOPALA REDDI :—" Perhaps he might have been unseated! "

* SRI R. SURYANARAYANA RAO :—" Let us not be jocular. Is it not a fact that our tax revenue has risen from 12 crores to 38 crores? Is it not a fact that you gloat over the fact that you want to tax more; and is it not a fact that you are not going to give any relief; because I see the Hon. Minister for Local Administration is bringing forward a motion empowering municipalities and local bodies to increase the rate of levy of profession tax. It may be we are not giving that tax to the Provincial Government but to the local bodies; but all the same, the sum total of all taxation, who is bearing? "

SRI B. NARAYANASWAMI NAYUDU :—" Kamadhenu."

* SRI R. SURYANARAYANA RAO :—" No, not Kama-dhenu; it is the poor man who has to bear, especially the middle class people with fixed incomes. Perhaps the Hon. Finance Minister does not seem to realize that the direct and indirect result

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of the various measures brought forward before this and the other House is such that for the middle class people with fixed income after paying all the taxes very little or nothing will be left to meet their expenses."

MR. CHAIRMAN :—"I thought the present budget does not contain any fresh taxation."

* SRI R. SURYANARAYANA RAO :—"I am only pointing out to the Hon. Finance Minister that he should take into account this fact, that every measure he brings forward only adds to the burden of the people, and unless he realizes that and tries to give relief to the poor people, as was said by that member of British Parliament, we will be getting deeper and deeper into trouble.

1-15 p.m. "The next point on which I would like to speak is the prevalence of lawlessness in this State. Whenever the question of security is raised, certain instances of murders, looting and all kinds of lawless acts cited and when the Government asked to tell the public the measures that they have taken to prevent the recurrence of such acts, they simply say that they are taking certain measures but that they cannot take the people into confidence and divulge the measures. They need not take the Legislature into confidence. Let them take the people who are affected by this lawlessness into confidence, ascertain what is wrong in their district and how best to meet the lawlessness. By simply sitting in Fort St. George and issuing directions, the Government will not be able to put down lawlessness. The fifteenth murder in the Krishna district was reported in the press yesterday. To-morrow we hear about the sixteenth murder. If the measures taken by the Government are adequate, why does this repetition of lawless acts occur? It may be due to Communists. Law-breakers are law-breakers to whichever party they belong. We have a right to ask the Government to let us know the steps that they have taken. When we wanted to raise this question on an adjournment motion, the Government said that they were taking necessary steps. But on the very next day appeared news of two more murders. I tell the State Government that they have not been able to tackle lawlessness as they should do. We are feeling a sense of insecurity. There is a sense of insecurity even in the City of Madras. I have been living in this City for some years. But never have I felt life so insecure as it is in the City to-day."

THE HON. SRI B. GOPALA REDDI :—"Go to Cuddapah."

SRI R. SURYANARAYANA RAO :—"I am going to Cuddapah on the 1st April and stay for three days. Perhaps life is more secure there than here. (Interruption by the Hon. Sri B. Gopala Reddi.) I thought that my Hon. Friend the Finance Minister meant to imply that the condition in Cuddapah was better. But he now says that it is worse. That is no compliment to the Government. I wish to draw the attention of the Government to the fact that if the condition is so bad in the City, how worse it must be in

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the mofussil. It is better that the Government sit at a table, discuss these matters and take adequate measures. No Member of the Legislature will object to their spending on taking adequate measures to protect life and property. The fact of the matter is that we do not know what steps they are taking. If the Police forces in the Krishna district are not enough to cope with the extent of lawlessness prevailing, why should not the Government reinforce them, divide the district into two and appoint two District Superintendents of Police? "

THE HON. SRI B. GOPALA REDDI :—" Will that stop the evil? "

SRI R. SURYANARAYANA RAO :—" Then the Government must find out the cause and take suitable measures. This is a matter of life and death and it cannot be treated lightly. Our Friend Mr. Gopalakrishnayya knows how insecure it is for him to live in his own village. I do not know why this spirit of lawlessness is rampant. Instead of subsiding, it is increasing everywhere. We hear of murders one day in Pattakkottai, another day in Guntur, yet another day in the Krishna district and so on. We do not hear anything about Malabar. I do not know whether the news is blacked-out. There are certain organizations masquerading as interested in constitutional agitation which, I feel, are promoting lawlessness secretly. Government have enough Criminal Intelligence Department people to find out those who are encouraging lawlessness directly or indirectly; and ample power to take action against undesirable elements. When they wanted powers under the Maintenance of Public Order Bill to deal with lawless elements, this House and the other House armed them with those powers. What the Government are doing is a mystery. As the Chief Justice of England said, ' stop we must this wave of violent crime ' at any cost. When life and property are not secure, what does it matter if the Government promote so many ameliorative schemes when there are no people to take advantage of their benefits? I lay stress on this matter and beg of this Government to take adequate measures. Powers alone will not help. Government should enlist the support of the people of the area in dealing with lawless elements. What is wrong with the public? Why do they not give information about lawless elements in their locality? Who are aiding and encouraging these lawless elements? These are problems which a government alone can tackle and not ordinary people. A government worth the name must tackle them. There is a lot of discontent and disappointment at the way in which the affairs of this State are being managed. I warn the Government again that they must devote themselves completely to the eradication of lawlessness. There are some people who say that the condition in some other States is worse and that, comparatively speaking, we are better off. Let us not compare ourselves with other States and derive consolation. The best method is to face the problem and find a solution whatever it may cost the State. This is a matter on which we in the Opposition

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feel very strongly and I know the Leader of the Opposition is going to speak on it at some length. When we open the newspapers, we find reports every day of armed raiders entering and looting villages and similar incidents."

MR. CHAIRMAN :—" I think the point has been sufficiently canvassed."

* SRI R. SURYANARAYANA RAO :—" I do not like the way in which the Hon. Finance Minister interrupts. In dealing with this serious matter of life and death, we cannot afford to be frivolous. Always, when serious matters are concerned, he becomes unnecessarily frivolous. We have every right to tell the Government that there is so much lawlessness. They may be aware of it but they may not be aware of it to the extent to which other people are aware. It is our duty to implore them to take necessary measures in this matter."

MR. CHAIRMAN :—" Further discussion can be continued after lunch interval. I would like the Hon. Finance Minister to enlighten me on one or two points. I find from the Appropriation Bill that the amount which the Government have asked for appropriation is Rs. 98,57,29,000. From the budget figures we find that the estimate of revenue in 1950-51 is Rs. 55,21.25 lakhs, and the expenditure on Revenue Account is Rs. 55,57.23 lakhs. There is a small deficit of Rs. 35.98 lakhs. My difficulty is this. How are the Government going to find this extra sum of about Rs. 43 crores? Though it is for capital outlay, money must come from some source or other. Is it not right that the House should be told as to how this Rs. 43 crores is going to be found? To me it looks as if there are only three ways—grant from the Central Government, loan from the Central Government and loan raised in the open market. I think it is necessary that the House should be told how much of this Rs. 43 crores is going to come by way of grants or loans from the Central Government and how much is to be raised from loans in the open market. I am asking this as a layman not well-versed in the secrets of budget preparation. If one or two items are taken away from Capital Expenditure and included under Revenue Expenditure the budget can be shown to be deficit. If one or two items are taken away from Revenue Expenditure and included in Capital Expenditure, the budget will become surplus. I shall be glad if the Hon. Finance Minister can enlighten me on this point without infringing any rules on financial matters."

SRI B. NARAYANASWAMI NAYUDU :—" Sir, may I request the Hon. Finance Minister to give us the figures now and not in his reply to the debate, as we will have no scope for discussing those figures after the Minister's reply? "

MR. CHAIRMAN :—" I was waiting to see whether any of the Members would raise the point."

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[Mr. Chairman]

"The Statement of assets and liabilities also do not help. I find from the budget figures of assets and liabilities that the liabilities on the 31st March 1951 are estimated at Rs. 104 crores and assets at Rs. 121 crores. The excess of assets over liabilities is thus Rs. 17 crores. The entire liabilities have got to be met and therefore no saving can be expected. The assets cannot also be drawn upon to cover the deficit of about Rs. 43 crores, because about Rs. 86 crores out of the total assets of 121 crores are in the form of irrigation works, electricity schemes, cinchona plantations, etc., which cannot be converted into cash. In other words, they are not fluid resources. The remaining assets are in the shape of Securities in Sinking Fund, Famine Relief Fund, Electricity Reserve Funds, Revenue Reserve Fund, etc. I think all those securities must be there in the interests of financial soundness and the Government cannot touch them. How then are the Government going to make good this deficit of Rs. 43 crores? Is there anything in the Budget Memorandum or anywhere else to give enlightenment on the point?"

* DR. V. K. JOHN :—"We are obliged to the Chairman for the questions put by him. In fact, being a layman, I myself have been enquiring about this point. It is necessary to give the answers to these questions as soon as we re-assemble after lunch interval, though this may cause some head-ache to the Hon. Finance Minister."

THE HON. SRI B. GOPALA REDDI :—"I can give all those figures in the end when I reply to the debate."

MR. CHAIRMAN :—"I think it is enough if the Hon. Minister gives the figures in the end."

* DR. V. K. JOHN :—"If he gives the figures at the end, we shall not be able to comment upon what he says."

The House then rose for lunch.

(After lunch—2-30 p.m.)

* SRI P. R. K. SARMA :—"Mr. Chairman, Sir, my only justification for raising at this stage of the budget discussions this year is that I have not been able to take part in the discussions so far. I feel, Sir, that I shall be failing in my duty, as a trade-unionist and as a democratic citizen if I do not record my protest against the wrong and unhealthy precedent that is sought to be set up by the Government in awarding a bonus to those members of the Non-Gazetted Officers' Association, who did not participate in the last strike. The facts and circumstances of the strike are so well-known to the general public and certainly to the Members of the Legislature to require any expatiation on my part."

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THE HON. SRI B. GOPALA REDDI :—“ Sir, we are just discussing the Appropriation Bill for the year 1950-51 and the hon. Member is referring to the bonus to the loyal N.G.Os. in the supplementary demands for grants for the current year. Are we going forward to discuss the budget for the next year, or are we still lingering in the current year's supplementary budget? ”

* SRI P. R. K. SARMA :—“ Sir, I was referring to the policy of the Government that they are trying to set up a wrong and unhealthy precedent which might prove dangerous in the future. I wanted to speak on this point, Sir, when the supplementary budget was under discussion but I did not have an opportunity to speak on that occasion.”

MR. CHAIRMAN :—“ The hon. Member's remarks must be relevant to the Bill under discussion. The Bill contains provisions specifying moneys for various items to be allotted. If the hon. Member has got any remarks to make on those items, let him do so. Hon. Members must keep this clear in their minds, that this is not a general budget discussion in which they can speak on any matter concerning the administration. Here we have got a definite Bill showing different items of grants to be made for expenditure in the year 1950-51. Hon. Members must confine their remarks to those items.”

* SRI P. R. K. SARMA :—“ Sir, the time allowed for the discussion of the supplementary budget was only a few hours and we could not take part in that discussion even though we had several important things to say.”

MR. CHAIRMAN :—“ I must say that the hon. Member is not in order. We are not discussing the supplementary budget. This morning I explained the reason why we should confine ourselves to the Bill and not speak on extraneous matters. I do not understand why the hon. Member should refer to that matter again. Now we have to discuss the Appropriation Bill and its provisions. I therefore request the hon. Member to confine his remarks to this Bill.”

JANAB ABDUL LATIF FAROOKHI :—“ Sir, the other day when we discussed the supplementary budget for the current year, the Hon. Finance Minister was pleased to say that in this particular case a concession would be made for Members to refer to the supplementary budget when discussing this Appropriation Bill, because there was not enough time given for discussion last time.”

THE HON. SRI B. GOPALA REDDI :—“ It was not for all the items, Sir.”

MR. CHAIRMAN :—“ Even if the Hon. Finance Minister had given such an undertaking, I am here to regulate the discussion.”

JANAB K. T. M. AHAMED IBRAHIM :—“ Even in Parliament, Sir, when the Finance Bill came up, it was pointed out

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that the same procedure which was being adopted for the budget might be followed and that the Members might discuss matters of general policy."

MR. CHAIRMAN :—" But then the discussion should be with reference to the subject-matter of the Bill and not about something which is extraneous or which is not contained in the Bill. I do not think that bonus to N.G.Os. which was the subject-matter of the supplementary demands for 1949-50 can be discussed in this Appropriation Bill."

* SRI P. R. K. SARMA :—" Mr. Chairman, I wanted to participate in the discussion on the supplementary budget, especially in regard to the particular point in which I am interested as a trade-unionist. But, Sir, unfortunately the time was very short and I could not get even a few minutes to participate and criticise the particular policy of the Government, which I regard as most unhealthy and dangerous. And, therefore, it is, Sir, that I wanted to refer to this matter. But if it is your ruling that it is not relevant, I am prepared to proceed with my next point.

" Sir, I want to point out that another strike might take place like the one which took place a year or two ago, if conditions of service are not satisfactory. I am not one of those strike-mongers; I am not a Communist, but I am a constructive trade-unionist, who has been trying to avoid strikes to the best of his ability. If the service conditions of Government workers are not satisfactory, they give an opportunity for mischievous elements to foment discontent and create strikes like the one which we had witnessed.

" I wish to point out, Sir, that the Government are not paying fair wages to their workers. The other day the Hon. Finance Minister gave me an assurance that if instances were brought to his notice where people were drawing less than Rs. 18 per month and if their work was of a continuous and permanent character, such workers would be given the minimum of Rs. 18. Sir, I am sorry to bring to your notice that there are still workers in various Government departments who are permanent workers, and whose work is of a continuous character who are still getting below Rs. 18. Sir, in the budget you find that the allowance granted for the children in the orphanages has been increased from Rs. 18 to Rs. 21, because it was found that Rs. 21 is required to support an orphan in an orphanage. That being the case, it is simply astonishing how Government have thought fair still to pay only Rs. 15 and even less to the workers in some of their departments. I want to take this opportunity to appeal to the Hon. Finance Minister to see that the basic salary of Government workers is levelled up to at least Rs. 19 or Rs. 20 and that those who are getting below Rs. 18 are raised to that level, even as he has assured already.

" Now, Sir, the Salaries Sub-Committee after long and laborious investigations had made certain recommendations and the Government have given effect to some of those recommendations.

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I submitted a memorandum before the Salaries Sub-Committee bringing to their notice the conditions and circumstances of those Government workers who are regarded as paid out of contingencies though their work is of a permanent and continuous character and I represented that those people ought to be made permanent. The Committee made a definite recommendation to this effect, but I am told that the Government are still considering the matter and even after cases of flagrant injustice have been brought to their notice, the Government are still delaying the matter and have not yet thought proper to do justice to those unfortunate people. It looks as if the recommendations of the Salaries Sub-Committee have been thrown to the winds.

"Then, Sir, even this morning there was a reference in one of the answers given to the condition of contingent workers in the Government employ. Workers in certain departments have been kept contingent for years and years with the result that they have no leave privilege; they do not get any holidays and there is no provision for them against old age.

"Sir, take the Government Stationery Stores. It is a permanent establishment of the Government of Madras, supplying the necessary articles of stationery to all departments of the Government. There, Sir, the coolies who have put in service for more than 10 and 20 years but have been getting only eight annas per day, probably ever since they were entertained. We have been fervently appealing to the Government to raise their minimum wage for these workers. To-day, Sir, the workers in the employment of private factories and establishments have secured by negotiations with their employers at trade-union level basic wage rates of Re. 1-2-0 and Re. 1-6-0 per day for unskilled workers exclusive of a D.A. of over Rs. 42. But still the workers in the P.W.D. workshops get only eight annas a day with a lower D.A. The other day, the Hon. Minister was good enough to say that he would raise their wages to 12 annas per day. But, I may submit, Sir, that this 12 annas has been given to people who have put in a service of more than 2 or 3 years. The ordinary man, the temporary man will be paid only nine annas a day. I submit, Sir, that the Government should provide a minimum living wage of at least Re. 1-2-0 to their workers and thereby set an example in this respect to private employers.

"Sir, I do not want to refer to the salaries of peons which have been enhanced by Rs. 2 per mensem. But the same consideration has been refused to their other workers who are on the same and even lower level of wages.

"Then, Sir, there are some departments of Government which have been kept temporary without any reason whatsoever from their very inception, though, as I pointed out the other day, there is an order of the Finance Department to the effect that all posts which are standing temporary for more than five years should be made permanent and that employed who had put in more than five years service should be confirmed in these posts by 100 per cent

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and that those who have put in a service between 5 and 10 years should be confirmed by 50 per cent. I find, Sir, that this order has not yet been given effect to at all in some of the Government departments.

"Sir, in regard to the Government's policy towards their employees, I find that even in the little that they have done, there is a lot of contradiction. For example, the other day, when two holidays were declared by the Government of India in connection with the inauguration of the Indian Republic all over the country, all the private firms and not to speak of the Government factories in Madras gave the two holidays with pay to their employees. According to the very same orders, the Madras School of Arts, which is under the Industries Department, was closed, but the workers there have not yet been paid their wages for those days. And when the workers approached the principal and brought this matter to his notice, the principal said that he had not received the orders for the payment of wages. I wonder, Sir, under whose orders he closed the institution.

"In regard to the dearness allowance which the Government are paying, the Hon. the Finance Minister the other day said that the cost of living index number is being worked out by the Government of Madras at their expense for the information of the general public and not for the guidance of the Government. But the Government pay a minimum dearness allowance of Rs. 18 only even though the cost of living has been soaring up. Even this Rs. 18 is not being given to some of the low-paid employees. There are hundreds of Government employees who are getting only Rs. 16 as dearness allowance. In the School of Arts some people do not get the house allowance; others do not get the dearness allowance; some people do not get both the dearness allowance and house allowance. There is no consistency; there is no unanimity of practice. Naturally this gives rise to discontent and also gives room for people who want to foment strikes and thereby strengthen themselves politically.

"This morning reference was made by Mr. Farookhi Sahib to the Fire Service."

MR. CHAIRMAN :—"Does the hon. Member think it necessary that he should also refer to it? The point has been mentioned once and I think it need not be repeated."

* SRI P. R. K. SARMA :—"I shall refer to another aspect, not that aspect to which the hon. Member Mr. Farookhi referred. It was a separate department previously. It has since been amalgamated with the Police Department and we wonder for what reason it was done. It has not increased the efficiency of the department. I would plead with the Government to constitute a committee to enquire and find out how best the department can be organized and to make it an independent department. In Great Britain, for example, I understand that the department is being managed by local boards and corporations and it is not in the administration of the Police Department.

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" Sir, I am glad that a lorry has been bought for the Government Stationery Stores. Previously the Government Stationery Stores was in the First Line Beach. During the war it was removed to Guindy, Narsu Gardens. The stationery used to be unloaded here in the harbour, conveyed all the way by contractors to Guindy and then brought back to the Government Press and other places at enormous expenditure."

MR. CHAIRMAN :—" The incident is at least three years old."

* SRI P. R. K. SARMA :—" Yes, Sir. Now the lorry has been bought and money has been provided in the budget for it. I find the Stationery Stores is continuing in Guindy without any justification and that is putting the Government to unnecessary loss and it also leads to inefficiency and waste. I urge upon the Government to remove the Stores to its original premises as early as possible and also to economise expenditure in certain directions. For example, a lorry of the Government Stationery Stores can supply the stationery to Government offices. Even for supply to offices in Fort St. George we find processions of bullock-carts and jutkas coming all the way from Guindy carrying the stationery. If a lorry is used for this purpose and if more lorries are bought, much of the uneconomic waste could be avoided."

" I am glad that the Hon. Minister has provided in the budget for making permanent the contingent section of the Government Press. There are other matters in regard to the Government Press which are pending even after the recommendations of the departmental authorities. We have lost many of our lino operators. I am sorry to say that they have gone to Bombay and to Pakistan also where they get double the salary they were drawing here. Our lino operators are so poorly paid that there is no incentive for them to remain in the Government Press of Madras which, I understand, is the third biggest Press in the whole world, the two others being in America. We have made representations and I am glad that the Hon. Minister, has also recognized the need, to improve the scales of salaries on the suggestion of the Government Press Workers' Union. I appeal to the Hon. Minister concerned to look into the matter and see that the salaries of lino operators are levelled up so that he may not lose the best operators due to the payment of inadequate salaries."

" Sir, the Government as the employer of the largest number of workers ought to have a definite policy in regard to their employees, their living conditions, minimum wages, Trade Union privileges, etc. Industrial unrest was on the increase in the country for some time. (Interruption.) I am glad that it is since going down. If it is going down, it is not certainly because of the fact that conditions of service have greatly improved. It is because the mischievous elements are for the time being kept out of the field by the repressive actions. If we go to Coimbatore or to Mathurai or any other industrial centre, we find that good relations are not subsisting between the workers and the managements. In Mathurai there are four or five big undertakings. In

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the Knitting Mills there is a deadlock; in Harvey Mills also there is a deadlock; there is a lock-out in the Meenakshi Mills. So, the labour situation is very tense. Similarly, in Coimbatore and other industrial centres a large number of workers are congregated and the situation is not very happy. I know the Government are doing their very best and they have enlarged the staff for conciliation work. But I am sorry to point out that there is no proper system followed in regard to conciliation work. Trade Union efforts are not being encouraged. Collective bargaining is not being encouraged. In a haphazard manner adjudications are granted and awards are also being given and such awards are being questioned in the High Court. This has created a stalemate in industrial relations in the State. The Labour Department has become very big of late. Originally one Labour Commissioner was sufficient to attend to all the work. I remember the days when there were only three trade unions in the State, and I was connected with two of them. Now there are over a thousand trade unions registered in the State. Industrial disputes are increasing. Industries are increasing and naturally the industrial workers are increasing and industrial disputes are also on the increase. There is necessity for the Labour Department being reorganized and enlarged so that a section may attend to conciliation work which must be emphasized in preference to referring of disputes to adjudication, as the reactions of adjudications create bitterness between employers and employees. In other countries adjudications are resorted to only whenever absolutely necessary."

MR. CHAIRMAN :—" I think I must insist upon limitation of time because number of Members want to speak."

* SRI P. R. K. SARMA :—" Sir, the only point that I wish to emphasize is that the conciliation machinery of the Government should be strengthened so that industrial peace may be preserved in this State. In this connexion, I also wish to make a suggestion. The Labour Department was under the Public Works Secretariat originally. Even though the Ministries and Ministers changed, it is still in the Industries Department. The Industries Department is a very large department. The Labour Department has also become very big. Therefore, I suggest that the Labour Department may be made an independent and separate the Secretariat. It may be reorganized and bifurcated into a separate department. Thank you, Sir."

SRI B. NARAYANASWAMI NAYUDU :—" Sir, before I take up the main theme of law and order especially in the Krishna district, I just want to say a word with regard to these 98 crores and odd and with regard to the question raised by the Hon. Chairman as to where the moneys come from. I submit with all respect it is the duty of the Finance Minister to tell us in his opening speech where the moneys come from. He has not done so. When his attention is drawn to it, he laughingly says that he will inform us at the end, that is, after the fair is over. I

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do not know where he is going to get it from, whether from *kamadhenu* or from Nellore or from Rama just as Gopanna is reported to have got. I do not know if he is going to perform miracles. He would not say anything at all. He has got honest faith in the supreme Almighty. But is it right on his part when introducing a Bill of this type not to indicate wherefrom the money comes? He goes on to say that he will do so in the end."

MR. CHAIRMAN :—"It is only in order to save time that the Hon. Minister wants to say it at the end. Anyhow the hon. Member may make his remarks and the Hon. Minister will reply to them."

SRI B. NARAYANASWAMI NAYUDU :—"Then, I will suggest him another thing. Why not he ask us, 'Please go to the radio and listen to my speech'? I think that will be a better method. Let me leave it at that."

"The main question I want to put is this to which attention has been drawn in a way by my hon. Friend. I want to state merely the bare facts so that we may come to some conclusions in the matter. I am confining myself only to the month of March. In that month itself there have been about 12 or more incidents. In the villages of Valadem, Ganapavaram and Pathapadu—they are all in the Vijayavada taluk—there have been not only murder but looting. The mischievous people get into houses, threaten the people, ask them to surrender their jewels and go away. Then we come to Annavaram village which is only two and a half miles from the police station. There these people take jewels and cash, burn houses and create mischief. In Kothannavaram, Ramanakkapeta, Gogulampadu, Hanumanthapuram and Ellapuram they have looted about Rs. 20,000. All these things have happened in the course of a month. It was not a question of faction. There are people going into a village in broad daylight and doing all these things not secretly but quite openly and in an organized manner. That is the first characteristic which you must understand."

"The second characteristic is this. They are what may be called armed people, that is, armed with weapons. They have got pistols, spears and sticks. Villagers know not how to deal with them. They come as armed raiders; they have got their own dress. They come in that dress, and ask the people to surrender all their property. Is this equanimity? Can we pass a Bill which asks for six crores of rupees for the Police Department when such things are going on in one district? It is not merely a matter of dacoity but a question of killing. It is not for the purpose of getting votes or anything of the kind. This is a drive with mercenary motives. How long are you going to tolerate this? What are the measures that you propose to take? I am mentioning these because the Members of Government and the Inspector-General of Police and the Superintendent of Police suggest only the remedy, 'Why don't you retaliate? Why are you

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keeping quiet?' Can anything be more monstrous or ludicrous? Did you ask Chanda Sahib with 10,000 people in Arcot not to run away leaving the Fort to 200 armed men of Clive? Why did they desert the Fort? Therefore, in the face of weapons, what is the fun of asking the people, 'Why don't you defend yourselves?' Is there any sense in it? As a matter of fact, a few weeks back, the Inspector-General of Police went to Nuzvid and asked the people, to defend themselves. Are they to defend themselves against firearms without themselves having any? It is not at all possible.

"When Sri Suryanarayana Rao raised this question, they ^{3 p.m.} immediately say, 'Go to Cuddapah.' Is that the remedy that this Government are going to give the people? Here I am who is feeling insecure about my life and property. Is this Government merely going to say, 'Go to Malabar, Malaya, Phillippines or Andamans?' Is this not proof of the Government's non-realization of the seriousness of the situation? In Krishna district and in the countryside especially, most of the ryots are vacating their houses, leaving all their properties and other things. This is not the proper way in which this Government should discharge their duties and responsibilities. The answers given by the Ministers go to indicate that the Police have to do nothing. What did Disareli do when there was a similar catastrophe in his place? When people petitioned to him, what did he say? He boldly said that so long as the British Government were there with their police force, he would not tolerate any kind of plunder and murder. Is this Government going to answer in the same way, or is it simply going to say, 'run away to Malaya or some far off place'. This Government do not feel their responsibility in this matter.

"There is another thing to which I would like to refer. There is a police station in one village for the last one year. I learn—I don't know how far it is true—that information has been given to people and they have been warned that A, B, C and D will be killed. When these people petitioned to the Police authorities and represented the matter, the Police people said, 'Well, go and sleep in the police station'. One man slept in the police station. But I am sorry to say that such things have occurred. Though two months have passed, the police have not yet been able to trace out the culprits. The police have been keeping quiet all these days. I would like to know what has happened to all the weapons which the people have surrendered to the police. We hear reports of plunder and murder in one village or another, and we hear of jewels and other valuables being taken away. In all these cases we find that the police station was about $1\frac{1}{2}$ miles from the place of occurrence. The mischief-makers have taken hours to go from place to place. So I think there will be no use in debating all these things here. The police will go their own way. What are all these due to? I learn that though information was sent to the police, they would not come immediately, but would come only one or two days after the incidents have taken place. I do not know how far this is true. But yet that is the impression which is created on the general public outside. Otherwise, how can you reconcile such incidents which

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are taking place in a particular village and the fact that the police station was only a mile and a half from the scene of occurrence? As a matter of fact, after these incidents the police go to the village and beat the poor ryots and asked them to go and live elsewhere peaceably. There is something demoralising and tragic about all these things. It is really a great pity that such tragic events should take place very near the police stations. We find that there was no encounter by the police with the rioters in any place. There seems to be no remedy for all these. The worst part of all these tragic affairs is, the police go to the villages and begin to beat the poor and innocent people and ask them, 'Why did you not defend yourself?' If a policeman goes to Hon. Gopala Reddi's house with a rifle in his hands and shoots him and takes away the money with him, the next morning the police will go to Gopala Reddi and ask him, 'Why have you not taken measures to defend yourself?' నీవు పోరాడకుండావు. కమ్యూనిస్టులు వచ్చే నీవు ఏమి చేస్తున్నావు. నాది నిజం నీవు ఎందుకు ఎదుర్కోలేకపోయావు? Is that the answer that this Government are going to give to this kind of violence? As a matter of fact, last time when law and order was discussed, Hon. Madhava Menon said that the Government cannot give weapons. But what has happened? You will find a number of undesirable people possessing licence for guns. Are we to give weapons to the law-abiding defenceless people or to undesirables? I must tell Mr. Madhava Menon that some of these people are even prepared to buy guns in the black-market. I know in one case in a particular village, one of these people had with him a gun which had four rounds. When some mischief-makers approached his house, he fired one round in the air. Seeing this, they were afraid and ran away. I must tell that only the wearer of the shoe will know where it pinches. You people are sitting here salubriously enjoying life. But the persons in Krishna district are suffering a lot. Those people to-day ask, 'What are we to do in the countryside? Are we to live in peace or are we to die? What has been done to ensure our security of life and property?' These are some of the woeful tales about the poor people in the village parts. Yet these people are sitting here imagining as if nothing has happened. I understand that there is a lot of beating of innocent people by the Malabar Special Police. This will only enlarge the circle of conflict and enlarge the sympathizers. Therefore this kind of Malabar Special Police being engaged to beat the people should immediately stop.

"Secondly, I learn that the Malabar Special Police are provided with up-to-date wireless sets. I want to insist here that every village must have a wireless set. If every village is made to possess the necessary wireless sets, then, whenever there was some looting or some other ugly scenes in any particular village, immediately information could be sent through the wireless set to nearby police stations and within a short time we can get the necessary reinforcements to tackle the problem. Therefore the Government must instal a wireless set in each village. Otherwise, what is the use of these sets being tied to the backs of the Malabar

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Police? Generally, what we find is, these Malabar Police with the wireless sets on their backs to go to the scene of occurrence only after the incident has taken place. So I want that these sets should more appropriately be given to the villagers.

"Next, if there is an attack in any village, it is going on for months. What measures the Government take? You should have the system of sending information quickly through the signals. In the 15th century, if such incidents took place in village parts, what the poor people used to do is, the people of a particular village will light up a bonfire at the top of the hill. The people of the nearby village taking this signal will likewise light up a bonfire on the top of their hill. Observing this, the people of the third village will also do the same thing in their village. By this process, within a few hours, the people in the surrounding villages will get alert and will be able to meet any situation that might arise. If this was the case in the 15th century, it is imperative that in this 20th century we should adopt modern devices with regard to sending signals. Strong measures should be taken to check all kinds of violence, and mischief-makers should be brought to book. Sir, this is not an isolated thing. Loot, murder and arson have been going on systematically. What have the Police done to check this? After the murders take place, these people go to the spot, only to worry themselves with regard to registering some cases about this murder here or that plunder somewhere. So I strongly feel that there must be an efficient and up-to-date signal system in order to effectively tackle and deal with this problem. My friend wants me to bring to your notice, Sir, that a person was killed within a furlong from a police station. That is not the only case. There are a number of such cases which the Government have not cared to check.

"The next point to which I would like to refer is about flying squads. We must have effective and efficient flying squads. To-day the Police are simply registering cases and prosecuting a few people. They do not take any effective steps to prevent murders and looting. When we are discussing this question, the Chief Minister is not here. We hear that he is going on a tour of the Andhra districts. I understand that he will spend three hours in Nuzvid and a few hours in some other places. I don't know how he is going to get full information and knowledge about these incidents in those areas within such a short time. I do not know what the Hon. Chief Minister is going to do in this matter. It is very necessary that we should have flying squads at least for every ten square miles. Do you think that the mere Public Safety Act that you have passed is going to give safety and peace to the masses? Certainly not. You must have flying squads if you want to establish law and order.

"Lastly, I would suggest that in every village, there ought to be curfew from evening 6 to morning 6 o'clock. You must introduce this curfew system immediately in all the villages. After all, hitherto hill-tribes have been affected and plains people have not been affected. But I must tell that the hill-tribes can conceal themselves whereas the plainsmen cannot conceal themselves. Therefore when the trouble spreads to plains, then it will be very necessary to have the signal system, flying squads and the curfew. I appeal to

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the Government to seriously consider this matter. You cannot leave matters to take care of themselves and there is no use in your simply denouncing people that they are not co-operating with the Government and all that. You have got to comb out all undesirable elements in society. We hear how the authorities in Malaya are tackling about 500 trouble-makers and thousands of sympathizers. I wish that this Government should strengthen their police force not merely for the purpose of registering a few cases here and prosecuting a few people there but to go to each place even before the incidents take place and try to prevent the incidents from happening. I submit that it is the primary responsibility of a responsible Government to establish law and order. Is it not a fact that people in villages are running from their houses as they are not given protection? I say it is a fact. If you say it is not, I am prepared to challenge. You have no other duty except to restore law and order and protect the life and property of the citizens and thus justify the existence of a good Government. Otherwise this Government is no Government at all. Talking in all seriousness, I would suggest that at least two or three policemen with necessary arms for each village should be posted. I think that this is a worthwhile suggestion. The Government must understand that this is not a matter in which a few poor people who are affected by hunger and poverty are involved. This thing has been going on systematically for some time past without being checked. If steps are not taken to check this state of affairs, then I am afraid it will spread to other districts and there will be, what may be called, internal chaos, if not civil war. Therefore I would like to suggest for the serious consideration of the Government that short of military operations, they should take every measure that I have suggested to comb out this evergrowing evil and disease."

JANAB K. T. M. AHAMED IBRAHIM :—" Mr. Chairman, Sir . . . "

MR. CHAIRMAN :—" How long will the hon. Member take? "

JANAB K. T. M. AHAMED IBRAHIM :—" I will take about 10 or 15 minutes."

MR. CHAIRMAN :—" All right. The hon. Member can speak. But let him try to finish within 15 minutes."

* JANAB K. T. M. AHAMED IBRAHIM :—" Sir, 'his is an occasion when this House for the first time is given an opportunity to discuss a Bill of this kind. The Constitution does not exactly lay down the rights and privileges of this House with regard to the discussion of this Bill. Therefore the whole matter has to be cleared up by healthy conventions to be laid down by this House. I would appeal to you, Sir, as the custodian of the rights and privileges of this House to see that this House secures proper rights and privileges with regard to this Bill. I am aware that the powers of this House are limited and restricted; but I would appeal to you, Sir, to see that there is no encroachment on these powers, restricted and limited as they are, from any quarters by the non-creation of such healthy conventions."

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MR. CHAIRMAN :—“ What is it that the hon. Member is referring to? What are his grievances? ”

JANAB K. T. M. AHAMED IBRAHIM :—“ We do not know what kind of amendments we can propose and we do not understand where we stand.”

MR. CHAIRMAN :—“ I think the hon. Member could help himself in this matter.”

THE HON. SRI B. GOPALA REDDI :—“ The hon. Member has been a Member of the Constituent Assembly.”

MR. CHAIRMAN :—“ These are matters in which the hon. Members can help themselves. The hon. Member was himself a Member of the Constituent Assembly and was also responsible for the Constitution. If he could explain to the House the purpose of this Bill, the House will really be thankful to him.”

JANAB K. T. M. AHAMED IBRAHIM :—“ I myself do not know how the party in power has enacted such a thing. We know how the Constitution was enacted in the Constituent Assembly. Every evening the party used to meet.” 3-15 p.m.

THE HON. SRI B. GOPALA REDDI :—“ In the Constituent Assembly, there was no party in power as such. The hon. Member was also there.”

MR. CHAIRMAN :—“ I understand the position. I have also attended some of the meetings of the Constituent Assembly. But, can the hon. Member say what use such a type of discussion here will serve? Could he not have raised the same point in the Constituent Assembly? He could have asked the framers of the Constitution, ‘ What do you want us to do in Madras, what is the purpose this provision will serve, and so on.’ They would have answered his questions.”

JANAB K. T. M. AHAMED IBRAHIM :—“ Sir, you know the fate of our amendments there. Further though there was no party system in theory, the Congress Party was functioning there . . . ”

MR. CHAIRMAN :—“ It is not a question of amendment. The hon. Member could have asked, for information, what purpose it would serve by having a clause like this.”

JANAB K. T. M. AHAMED IBRAHIM :—“ Unfortunately, Sir, I was not present then . . . ”

MR. CHAIRMAN :—“ Either inside the House or outside, he could have had enlightenment from persons like Dr. Ambedkar or Mr. Alladi Krishnaswami Ayyar.”

JANAB K. T. M. AHAMED IBRAHIM :—“ But we are guided by the procedure adopted in the House of Commons, wherever there are no specific provisions in the Constitution. I am appealing to you . . . ”

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MR. CHAIRMAN :—“ I am appealing to you (laughter) to tell us what happened in the Constituent Assembly.”

JANAB K. T. M. AHAMED IBRAHIM :—“ Unfortunately, I was not there when this discussion came up. I have not got very good experience of the Constituent Assembly.

“ Sir, I suggested last year at the time of the Budget that, in order that members belonging to all sections of the House may be associated with the administration of the State, the procedure adopted by the Government of India, viz., appointing Standing Committees for each Department, might be followed here. I think that last year it was even agreed, though informally, that this salutary practice should be followed. But so far nothing has been done in that direction. I would request the Hon. Finance Minister to give some thought to this matter and see whether some good will not result by the appointment of such Standing Committees.

“ I would now refer to one or two points which I had no occasion to mention during the Budget discussion. One of the points relates to the Government Ophthalmic Hospital in Madras. This hospital, I understand, is the biggest and best institution in the whole of the East and there is now very great need to expand it. The existing hospital is unable to make provision for all the patients who happen to go there for treatment and, it seems, at one stage it was thought that some building in the possession of the Police would be available to the hospital. I understand that ultimately this building was not available on account of the non-co-operation of the Police Department, in whose possession the building is now. I would appeal to the Government to look into the question of increasing at once the number of beds in the hospital. The accommodation cannot be increased because another Department of the Government would not co-operate. It would be better if the said adjoining building is secured for the hospital. If need be, the Police Department may be asked to remove the Fire Brigade or any of its other offices to some other place. There is another question relating to this hospital. Till now, the Assistant Superintendent of the Ophthalmic Hospital has been of the status of a District Surgeon. Now, it seems, the status is going to be reduced by placing him in the cadre of Assistant Surgeon. The Assistant Superintendent very often officiates for the Superintendent and, therefore, it would be fit and proper if he continues to be placed in the same old cadre, namely, that of District Surgeon.

“ Coming next to the Grow More Food Campaign, I would like to refer to one place in the Tirunelveli district where there is a tank called Manur which irrigates about 3,000 acres. I know that several times in the past people have represented to the Government to repair the tank. If some money is spent on the tank, these 3,000 acres of land would get properly irrigated. It is a rain-fed tank and unless it is repaired in time, people will be put to great hardship. There is failure of monsoon everywhere and it is all the more the reason why such tanks should be kept in good repair. I would

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therefore appeal to the Government to see that the supply channels of these tanks are properly looked after so that the food shortage in the State could be got over to some extent.

“ Sir, there is another matter to which I must refer. As a matter of fact I had no intention to speak at all to-day. One responsible Member of this House made certain remarks about our party, i.e., the Muslim League Party. It is highly regrettable that the hon. Member, Mr. Adityan should have sought this morning to justify the aspersions cast on the Muslims of this State by a certain Member in the other House by adding a rider, to the effect that those aspersions were directed only against the Muslim Leaguers. I would at once say that these allegations cannot be supported by concrete facts. I can say this on the floor of this House without any fear of contradiction. I submit that it is such incorrect and prejudicial statements that tend to inflame passion and create excitement in quarters where they do not exist. I do not want to say one word which may tend in the remotest degree to create excitement or passion especially in view of the appeal made by the President of the Republic this morning. I would like to emphasize that the Muslim League Party has been always and consistently co-operating with the Government in the maintenance of law and order in the State and other similar matters. You may remember, Sir, that both in this House and in the Constituent Assembly, Hon. Ministers have openly acknowledged the help rendered to the Government by the Muslim League Party in these matters. The Hon. the Minister for Finance himself admitted in the other House that on the whole the actions of Muslims since August 1947 have not been detrimental to the interests of this State. I am sorry, therefore, that attempts should be made to make statements that are prejudicial in character. Every citizen of this country has equal rights. No one can claim higher or greater rights than any other in a democracy. It is unfortunate that any citizen of this State should arrogate to himself the right of admonishing others, thinking that he has got higher or greater rights. So far as the Muslims are concerned, they are as much interested, if not more, in upholding, safeguarding, and maintaining the independence and the prestige of the country as anybody else. Such an attitude is intimately ingrained in the traditions and culture of the Muslims. The Muslims throughout the centuries have shown this beyond a shadow of doubt; and Islamic history is replete with instances of how they have sacrificed their all in defending their countries against foreigners, even when the latter happened to be of their own religion. I do not want to deal more with this question, especially in view of the appeal made by the respected President of the Republic. I am only sorry that reference should be made to such matters so often in this House. There is no need for it; there is no justification for it; there is no basis for it. Muslims have got as much right in this country as anybody else and they have as much right as any other to defend their country. There is nothing to show that they have deviated from the path of rectitude.”

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* DR. V. K. JOHN :—“ Mr. Chairman, I rise to congratulate the Hon. the Finance Minister on the success he has achieved. Nothing succeeds like success. In spite of very strong criticisms not only from the Opposition in both the Houses but from members of his own party—there is a group formed inside the Congress Party—and the many cuts moved by them, he has been able to get through his proposals without a pie being touched or reduced. This is indeed a great success. He can be proud of his achievement, when his biography comes to be written, he might tell his biographer that he was able to get through this Budget session without any of his proposals being dropped or altered. But we say in Courts of Law that if a bad case is won, the lawyer is clever; and I may even go to the extent of saying that in spite of certain defects—serious defects in the Budget proposals—he has been able to push them through. Hence, my congratulations.

“ There is yet another point on which I like to congratulate him. This time, the Hon. the Finance Minister appreciated the criticisms from the Opposition as well as from members of his own party, in a manner in which he did not appreciate the criticisms in the previous years. I think he was sincere in his appreciation this time. He said he would consider every suggestion and accept them if found acceptable. This attitude encourages Members here as well as in the other House to make constructive suggestions and be of real help to the Government.

“ However, Sir, speaking for myself, I am quite dissatisfied with the financial structure of the State. If we go into the sources of revenue, first of all we come across land revenue. Land revenue, I personally think, is not an income based on principles of justice and equity. It is historical. Land tax was imposed by the ancient kings when they had no other sources of revenue. I do not understand the principle that underlies the collection of tax from a man owning an acre of land or even a few cents of land. If he makes a good income out of that, let him be asked to pay the tax. If he is not, it is not just to demand of him this kind of a tax. If you have to pay a tax for being owner of immovable properties, why not pay a tax for being owner of movable properties?

“ Then there is another source of revenue. It is the sales tax. Member after Member severely criticised the Government for collecting this immoral source of revenue. When we were having the excise revenue, we thought that the tax was collected from the poorer section of the people. But, now we are collecting this sales tax even from a beggar. A beggar has to pay sales tax if he, after collecting some eight annas by way of alms in his bowl, goes to a shop to buy some commodities like rice, etc. The tax structure of a State should be so designed as will not work any hardship on the poor. It should be in a position to distribute the burden equitably on those who can afford to pay.”

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MR. CHAIRMAN :—“ I would like to ask the Leader of the Opposition, just to help me and the House, to try to understand the position while participating in a discussion like this. I am not trying to issue any directions. When the Appropriation Bill deals only with matters of expenditure, shall we take upon ourselves the function of discussing the sources of revenue also? Is it correct to speak on questions like what kind of income should be there and what should not be? I think it is best to have proper conventions set up in this matter. It looks to me better if the Leader of the Opposition says something about the expenditure that is proposed. That will *prima facie* be relevant to the subject under discussion. I am anxious that proper conventions are set up in the matter of discussion on Bills like this.”

* DR. V. K. JOHN :—“ Sir, the Speaker in the House of the People gave a ruling that when the Appropriation Bill came up, you can discuss anything connected with the Revenue and Expenditure. I am obliged to you, Sir, for having put the question to me because that gives me an opportunity to make my suggestion in all humility. According to the Constitution we have on this subject, we can discuss all matters covered by the Budget Speech which must cover all important policies of the Government. That would bring in both Revenue and Expenditure for discussion. Then we have the budget discussion in the other House where these are discussed in greater detail than we do. Then again we discuss them under the supplementary demands. Now we are given an opportunity to discuss the Appropriation Bill though we cannot suggest any amendments. 3-30 p.m.

“ Sir, to get at the intention of the Constitution, you know it as a lawyer, that we have to interpret the words used and we should not get into the discussion or the history of it. Now, personally I think, if the Constitution had said that you cannot spend anything more than is covered by the Appropriation Bill then I can understand. Then there is something serious about it. But there are articles 205 and 206 according to which you can spend and bring a demand later on. The old procedure is still there. In the new set up, with discussion on the Governor's Address, the Budget speech and the Supplementary demand, I think, we can look at the revenue and expenditure as sanctioned, and as covered by the Bill. Suppose we find something wrong, we cannot amend it but we can make suggestions that in the years to come we must make some change. It is not in this very year, but we look at the whole thing. Suppose we find that the revenue should not have been allowed, or the expenditure should not have been allowed and we see something wrong in what has been sanctioned and we see something wrong in the financial structure . . . ”

MR. CHAIRMAN :—“ I should think that the change is for the better so far as this House is concerned. Before the New Constitution this House had no Demands before it. The proposals for expenditure were not before this House. The general budget was here for debate and the discussion on Demands took place in the

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other House and we had absolutely no voice to say anything about the Demands. The Appropriation Bill gives us an opportunity to speak on Demands. Should we not restrict ourselves to that kind of thing? This brings here all the Demands that were placed before that House, and discussed there and it is up to you to say very much as the hon. Member Mr. Narayanaswami Nayudu did. He referred to the Police department and the expenditure incurred on that department and he suggested how it should be spent and properly utilized. That kind of thing would be better. That is what I feel in the matter. It is better if you have an opportunity to discuss the various Demands, the amounts that ought to be spent on the various Demands and a Member may tell the Government how the amount should be spent."

* DR. V. K. JOHN :—" One point that I want to refer in connexion with the taxation structure is about the Centre's contribution to us. When we see the expenditure and the revenue we must be able to tell the Centre that the contribution is not sufficient. This is the appropriate occasion, when the Appropriation Bill is being discussed, to point out to the Government of India that the contribution is not sufficient. The Appropriation Bill cannot be discussed in one way in this House and in another way in the other House. The Constitution does not say it can be discussed in one way in this House and in another way in the Assembly. That is why the Speaker of the House of the People said that it covered everything."

MR. CHAIRMAN :—" It is only the House of the People. The other House has not come into being. We do not know what the Chairman of that House is going to say. I think it is better we take this opportunity of discussing the Demands and the expenditure on them."

* DR. V. K. JOHN :—" Now, Sir, I was saying that this taxation structure must be carefully examined and we should see that it is equitably distributed in accordance with the proportion mentioned in the Constitution of India, the fundamental rights and the directive principles. I do not think that we can now say that our taxation structure is very equitable and very just and fair to all. The point I wanted to mention is, we have no elastic source of revenue excepting the sales-tax and I find the Finance Minister at his wits end being unable to find the revenue required for nation building purposes. Now, Sir, I am not on that point. I am on this point, namely, that we have no elastic sources of revenue. The Constitution says we may not have sales-tax on necessities of life and I think very justly. The Government of India are collecting all the elastic sources of revenue and nobody in this State could approve of the way in which the Centre has dealt with us. The Constitution does not leave us any elastic sources of revenue and our tax structure keeps on raising the prices of commodities and consequent increase in cost of living. Then they have now reduced our share of income-tax. We ought to have got a larger share. Instead of giving us a larger percentage they have reduced that percentage.

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I ask the Hon. the Finance Minister to tell the Government of India that it is the unanimous opinion of this House, perhaps both the Houses, and in any way of this House, the Opposition and the Government, that we must get an equitable share of the income-tax collected by the Centre. Then, a more serious complaint is the Government of India have never been consistent. The Hon. the Finance Minister said that in his speech. They promised to pay for the post-war development. They went back on their promise. We do not know where we stand as far as the Centre is concerned in respect of their contributions for the post-war development schemes. We have actually taken up some of the schemes depending on the Centre's contribution. We are now in 1950-51 and it is now said that the Government of India would not be in a position to give any grant for the post-war reconstruction schemes. I want, Sir, the Finance Minister to convey to the Government of India our real feeling of grievance that this is not the way to plan for prosperity. After all this is a very big State and we are a deficit State in foodstuffs and we depend upon the post-war schemes for development and for that we depended upon contributions from the Government of India. Now we are informed that the Government of India are not going to give us the contribution. Everything is uncertain. I want the Finance Minister to convey to the Government of India the strong feeling of this House that we are not treated well by the Government of India and they have gone back on all their promises for the last three or four years. They have gone back on their promises and next year they may not give us anything at all. In the meanwhile you are going on with our post-war reconstruction schemes for producing more foodstuffs. If the Government of India take up the position that they will not give us any grant, then everything is becoming uncertain. That appears to be the financial structure of this State. It is high time we looked into the financial structure of the State and we should see that we get sufficient finance from equitable sources, we must get the contribution from the Government of India, and the revenue which we require for planning for prosperity. As it is, I am not satisfied with the financial structure of our State.

"I am not also satisfied with the expenditure side of our State. I must say now as I have said during the Budget debate that there is colossal waste in State Trading schemes and other pet schemes which this Government have taken up. Let me not repeat what I have already said. The hon. Member Mr. Suryanarayana Rao and Dr. Lakshmanaswami Mudaliar have also said that there is colossal waste of expenditure on these schemes. Then again there is waste on this Zamindari Abolition scheme. I know I am differing from your opinion, Sir, on this matter, and I want to say it again and again with great sincerity and with as much force and emphasis as I can command that this proposed payment to the zamindars of 12½ crores from public revenues without collecting the money from those who are to be benefited by the abolition of the zamindaries, is very unjust and that money ought to have been

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utilized for the development schemes. The Government have given the impression that they don't want to displace an influential section of tenants, powerful tenants, *kutti zamindars*, who are intermediaries between the cultivators and the Government, they don't want to displease them and so they make a gift of 12½ crores of rupees to these people. I say, Sir, this is unjust and that this should find a place in the Budget. The Budget speech also stated that instead of getting any revenue on account of the abolition of zamindari, they are spending a few crores of rupees for various expenditures connected with the abolition of the zamindari.

“ Sir, I said, I am not satisfied with the financial structure; I said I am not satisfied with the expenditure side. I am not at all satisfied with the planning by this Government. They ought to have to plan for prosperity. They ought to achieve one of the objects of the Constitution of India, namely, the creation of a welfare state. Now, have they planned anything at all. I find no planning at all, Sir. It is said that the Centre is trying to plan and that all the States are asked to co-operate.

“ We have now talked in this House about the preservation of security and order also. I complimented the Government at the time of the Budget discussion that they have been able to keep order and security and for having dealt with the persons who interfered with the freedom of innocent people. Sir, the Constitution of India does not say that a person while engaging himself in subversive activities can commit murder, loot and arson or injure anybody or derail a train. This is not personal freedom. In fact the other day the Chief Justice of England, Justice Goddard, said that such offenders had better be whipped publicly. I am suggesting to the Hon. the Law Minister here, whether the Government in our State also should not say that these persons are not merely to be sent to jail if convicted for engaging themselves in subversive activities and disturbing the peace and security of the people, but that they should be publicly whipped. That might be the correct punishment. Now, Sir, the Government have tried their very best and are trying their very best to keep law and order. We have to sympathize with them. We have complimented the police for keeping security and order in the State. But we find that insecurity is on the increase in the State; almost every day murders are taking place in certain districts of this Province and the Government should be sorry that this should be the condition although they have taken every step possible. Although they are taking every step which they possibly can, we go by the result. Nothing succeeds like success. The Government have no plan at all. It is not enough if they spent Rs. 4½ crores on Police and Jails in 1945 and spend Rs. 9 crores this year. Our object must be to abolish the Police and Jail departments; on the other hand the expenditure on them is increasing.

“ Sir, the Government should deal with the problem of Communists and the unrest in the State in a different manner. They must have a plan to settle every worker, the man in the cheries, the agricultural labourer and the industrial labourer first on the

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land. He must have a homestead for him to live in and some little ground for cultivation. There are 250 cheris in Madras where three lakhs of people live. None of them has a homestead. They are all afraid they will be ejected either by the private owners or the Corporation or the Government on whose lands they live. First of all the Government should give their own lands on which the cheris stand—half a ground each. They may sell the lands to these people and recover the cost in instalments. Let the people have some land for a homestead and some land for carrying on some cottage industries. There are about 30 million acres of cultivated lands in the State. There are also about 21 million acres of uncultivated but cultivable lands. The Government should have a plan by which they should acquire these 21 million acres of uncultivated but cultivable land, at least the major portion of it, take water to those lands and settle the cultivators, the agricultural labourers and others. They could be made to pay for it in the course of 20 to 30 years.

“ Sir, why is there so much of subversive activity in the State? Why is there so much discontent? I have made a study of it by going to some of the cheris. I find that unemployment is acute. Even people who are employed on jobs of Rs. 60 and Rs. 70 are able to give only one meal a day to the members of their family. When they are not regularly employed, they are able to give one or two meals a week only. They are living in famine conditions. How can the teachers live on Rs. 45 a month with half a dozen dependents? The Government do not understand that unemployment and underpaid employment are the two causes of this unrest. Have they any plan to tackle this and settle millions of the poor people on lands by giving them a small homestead and some lands for cultivation or for cottage industries? Sir, the Government have no policy, no programme and no plan. Their only plan is to develop the jails. They now find that the jails are not sufficient and that they must have concentration camps. They must also multiply hospitals. If you go to the hospitals, you will find that there are larger number of patients lying on the floor than on the cots. If they admitted every patient who went there, perhaps millions would go to the hospitals. They are all under-nourished. The conditions of the poor are appalling. But still there is the sales-tax which is called Kamadhenu, which is taxing the bowl of the poor. Millions of people are unemployed and have no provision for insurance against unemployment or old age or sickness. I suggest, Sir, that this Government may ask the Government of India to contribute something for the developmental schemes. The Government should try and settle a few millions of people on land before the situation gets out of control. The police people themselves find it very hard to make both ends meet. I do not want to say that they are underpaid or anything like that; I put the police constables in the category of middle-class people and the middle-class people are finding it very hard to make both ends meet. The labourer is better off. Why should these people take to subversive activities? Why should they fall a prey to the persuasion of the Communists? Whose fault is it? The Government alone cannot do everything. I want to make a fervent appeal

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to the educated man and to the public generally that they must co-operate with the Government in every step that they take to put down the subversive activities. I tell the Government that it is not enough if they increase the police force. They must tackle the problem of unemployment and underpaid employment, the problem of the landless poor, whether they are in the cheris, in the towns, or as agricultural labourers in the villages. I deeply regret that the Government have no plan and no programme to solve these problems so that they may decrease the police force and not increase it.

"Sir, I want the Government to make this a model State, a State which will give a lead to others in everything, in planning for prosperity and in implementing the Constitution of our country. Sir, there has been much talk about there being less number of Andhras in the services than the Tamils and the Malayalees. But if you look at the Constitution of the country, particularly article 16, you will find that if residence is to be a qualification for appointment to Government services, Parliament at the Centre alone must make the law. Every Indian is an Indian in every part of the country. Every part of India is my home. The Government can never make a distinction on account of my residence or religion or place of birth. Article 16 (2) reads—

'(2) No citizen shall on grounds only of religion, race, caste, sex, descent, place of birth, residence or any of them, be ineligible for, or discriminated against in respect of, any employment or office under the State.'

The Constitution does not allow that."

THE HON. SRI B. GOPALA REDDI:—"Suppose the Bengal Government make a law that Bengalees will be preferred for their services."

* DR. V. K. JOHN:—"The Bengal Government cannot do that. Only Parliament can pass such a law. Clause (3) of the article says:

'(3) Nothing in this article shall prevent Parliament from making any law prescribing, in regard to a class or classes of employment or appointment to an office, under any State specified in the First schedule or any local or other authority within its territory, any requirement as to residence within that State prior to such employment or appointment.'

Only Parliament can pass such a law, not even the State can do it."

MR. CHAIRMAN:—"The hon. Member can give his views, but the proper authority to decide the matter is the Supreme Court."

* DR. V. K. JOHN:—"The State Legislature cannot pass a law that Bengalees alone will be preferred. No man can be discriminated against in this manner. Here is a Democratic Republic and our State is a constituent of the Union of States. We ought to give a lead to neutralise and liquidate all these narrow loyalties, of communalism, of lingualism, of provincialism and parochialism. Is there any distinction made between North Indians and South Indians? We are all Indians. There should be no distinction made between a Tamil, Andhra and so on."

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MR. CHAIRMAN :—" Would the Leader of the Opposition like Punjabees, Bengalees, Sindhis and others swamping the Government services in Madras? "

* DR. V. K. JOHN :—" They are all Indians. I would not make a distinction if they are the most competent. Are there not many Madrasis in the Central Government? "

MR. CHAIRMAN :—" It is all a matter of policy. "

* DR. V. K. JOHN :—" Sir, we can give a lead to the others. Our discussion in the Legislature about the narrow loyalties, parochialism, and lingualism does not reflect much credit on this State which ought to give a lead to the other States.

" Sir, a complaint has been made against the Muslim League. I pay a tribute to the Muslims and the Hindus of this State who have been able to live together most amicably. In that matter we have given a lead to the other States. At the same time, I would tell my friend Mr. Uppi Sahib and others that it is time to liquidate all these communal organizations in public life. The Hindu Mahasabha, the Muslim League, all these must be liquidated."

THE HON. SRI B. GOPALA REDDI :—" The Christian Federation? "

* DR. V. K. JOHN :—" The Christain Federation also. Sir, some Christians wanted to give a party to a Christian officer. I said it should not be given at all. If it is to be given, it should be given by everybody else, not by Christians alone. We are all Indians. Unless we liquidate all these communal organizations we can never create a secular State. Muslims can be assured that there is no animosity against them at all. But an organization which has a history behind it and which was responsible for the division of the country ought not to function to-day. It is stated that they are not a political organization and that they have not got their old ideals, but it always leads to suspicion. Not that the Members of the League in this House or in the other House are opposed to the Hindus. I tell them in all sincerity and friendship that we should now give a lead to the other States. Let us have no communal organizations in public life and political life."

THE HON. SRI B. GOPALA REDDI :—" In private life? "

* DR. V. K. JOHN :—" I shall say in private life also. Let not Ministers think they are Andhras and therefore they must be popular with the Andhras and give them jobs, or that they are Tamils and they should also do likewise. We are all Indians and we should give a lead."

SRI T. PURUSHOTHAM :—" On a point of information, Sir, why should there be an Opposition Party in this House. When the Leader of the Opposition speaks so finely that there should be no difference, why should there be an Opposition Party and an Opposition Leader in this House? "

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MR. CHAIRMAN :—“ The Opposition is not on communal basis or religious basis or geographical basis. It is not on any basis except the political basis.”

THE HON. SRI B. GOPALA REDDI :—“ Why should there be any political difference, Sir? ”

* DR. V. K. JOHN :—“ When the Finance Minister wastes crores of rupees and we feel that he should not, there must be some difference of political opinion. Criticism is the very breath of democratic life. There must be an opposition to Government.

“ Sir, but opposition ought not to sling mind. I hold no brief for the Government. But the efficiency of a Government lies in the respect that people give to certain men occupying particular places, not as individuals, e.g., a High Court Judge or a Minister or a Head of a State. Now, Sir, complaints against certain Ministers have been disposed of by three eminent men who can be world leaders and who are now the leaders of our country. It is disrespecting them to re-open it again. If we carry on this agitation and make these charges over and over again and when people outside the State hear these things, what happens? Not only will we be bringing to contempt and disrepute the Ministers, which is a very wrong thing to do . . . ”

MR. CHAIRMAN :—“ I would like to tell the Leader of the Opposition that this House is not seized of the matter.”

* DR. V. K. JOHN :—“ Sir, we must establish a leading position for our State and that will not be done by bringing into contempt Pandit Nehru, Sardar Patel and Babu Rajendra Prasad, the President of the Republic, who disposed of this matter. I fell strongly in the matter, Sir.”

MR. CHAIRMAN :—“ You may say that to the persons concerned.”

* DR. V. K. JOHN :—“ These things must be said in a public place, Sir.

4 p.m.

“ The Madras State must lead in everything—in its financial structure, in its expenditure, and in the result obtained by the expenditure. The other day when you were not here, Sir, I went on elaborating one point . . . ”

MR. CHAIRMAN :—“ I think yesterday's papers said that Mr. Prakasam was withdrawing his charges against the two Ministers who are Members of this House. For this reason also the matter is not before us.”

* DR. V. K. JOHN :—“ One thing I want to suggest to the Hon. Finance Minister is, have control over expenditure. It is not enough if you say ‘ I spend Rs. 5 crores ’. For the matter of that, the expenditure may be beneficial or it may be a waste. As a matter of fact, there is a lot of waste and I ask him to see that there is not much of waste. In all these matters, he must see to it that there is no wasteful expenditure, that there is equitable source of revenue, that there is some plan for prosperity and that

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we execute that plan and that there are no narrow loyalties—we are all of us Indians. In all these matters, as I said, I want our State to give a lead to all the other States."

THE HON. SRI B. GOPALA REDDI :—" Sir, may I join with the Leader of the Opposition in wishing all success to our State, and certainly when he said that all political parties in this State should strive to attain that goal of making this State an ideal State. Certainly, there cannot be any nobler ideal for any politician, be he a Minister or be he in the Opposition, than to see this State occupying a high status in the entire Union, thus giving a lead to the rest of the country.

" Sir, you have raised a very pertinent question perhaps, information on which you could not get from the literature available. I shall strive to explain how we meet this expenditure of Rs. 98 crores and odd as proposed in the Appropriation Bill.

" Sir, the Budget gives the amount as Rs. 55.57 crores under the various heads for the year 1950-51, with regard to expenditure. But under the Appropriation Bill, it is given as Rs. 59.82. There is a discrepancy to the extent of Rs. 4 crores and odd. Of course there are other items which are included in the Rs. 98.57 crores which is the total. It comprises of four items, viz., Rs. 59.82 crores under Revenue account, Rs. 15.32 crores under Capital Account, Loans and Advances Rs. 5.43 crores and repayment of debt, etc., Rs. 18 crores, making a total of Rs. 98.57 crores. The Budget gives the figure as Rs. 55.57, while it is put here as Rs. 59.82. The discrepancy arises like this. In the Budget, under Electricity, Irrigation and Road Transport, we give only the net receipts derived from these three sources. For instance, under Irrigation we get Rs. 2 crores and we spend Rs. 1.50 crores. We do not show the Rs. 2 crores under 'Receipts' and the Rs. 1.50 crores under 'Expenditure.' We show only Rs. 50 lakhs under Receipts. So, the Budget takes into account only the net figures with regard to Electricity, Irrigation and Road Transport, which are all nationalization schemes. As regards Transport in the City, we take for instance Rs. 90 lakhs from the passengers; we spend Rs. 80 lakhs on the maintenance of our vehicles, wages for workers, etc., and we take credit only for the balance of Rs. 10 lakhs under 'Receipts'. We are not now seeking your approval for the expenditure of Rs. 80 lakhs on the maintenance of vehicles, wages, etc. In the Appropriation Bill we show Rs. 90 lakhs on one side and Rs. 80 lakhs on the other side, and the figure becomes bloated in that way. So, in respect of these three schemes, i.e., Electricity, Irrigation and Road Transport, in the Appropriation Bill, we show the receipts on the side of 'Receipts' and expenditure on the side of 'Expenditure', while in the Budget we take only the net figures. That is why, Sir, the discrepancy between Rs. 59.28 crores in the Appropriation Bill and Rs. 55.57 crores in the Budget.

" Then we have got Rs. 15.32 crores under Capital Account, Rs. 5.43 crores under Loans and Advances and Rs. 18 crores under 'Repayment of Debt, etc.'. As regards the last item, the method

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of arriving at the figure is somewhat peculiar here. Suppose, for instance, we take Rs. 20 lakhs from the Reserve Bank of India. Under the Statute, we have to keep a minimum balance of Rs. 40 lakhs in the Reserve Bank of India and if we fall short at any time even by Rs. 5 lakhs, then the Bank immediately gives us a Ways and Means Advance, and they also charge interest on the Rs. 5 lakhs for a week even if you pay back the amount on the very next day. So, if we take Rs. 20 lakhs to-day and pay it back to-morrow, it becomes a little more because the interest is added on to it. Again, if we take another Rs. 25 lakhs and again repay it within two or three days, and once again if we take Rs. 30 lakhs and repay it within a week, in the Appropriation Bill, we will have to take credit or debit for the Rs. 20 lakhs in the first instance, next for the Rs. 25 lakhs and again for the third Rs. 30 lakhs, making a total of Rs. 75 lakhs. That is how under 'Repayment of Debt', the figure comes to a total of Rs. 18 crores as the amount that we will have to pay. Sometimes we issue treasury bills for a duration of three months, or we borrow from some other Government and repay the amount afterwards, and there are also ways and means advances given to us by the Reserve Bank of India. It is thus the entire appropriation amount comes to rupees 98.57 crores.

"The next question is how we are going to get the money for meeting this amount of Rs. 98.57 crores . . ."

MR. CHAIRMAN :—"Am I to understand from the Hon. Minister that the expenditure is Rs. 98 and odd crores? If so, according to his explanation, the income also must be about that figure?"

THE HON. SRI B. GOPALA REDDI :—"In the Appropriation Bill, the gross revenue comes to Rs. 59.28 crores; then we have got the short-term borrowings, viz., Treasury Bills, Ways and Means Advances given by the Reserve Bank of India to the tune of Rs. 18 crores, i.e., under 'Repayment of Debt, etc. Suppose I borrow Rs. 18 crores and I pay back the Rs. 18 crores; when I borrow, that is taken as credit. The short-term borrowing is either in the form of Treasury Bills or Ways and Means advances. We have also got sale of securities from cash balance investment account, without having to take loans from the Government of India or from the open market. I have securities to the tune of Rs. 47 crores now—it may be provident fund, it may be revenue reserve fund or cash balance investment account—whatever it is, I have got Government of India securities to the tune of Rs. 47 crores. We have advised the Reserve Bank of India to sell some of our securities because we want large sums for our capital expenditure, and there is even a standing instruction to them to sell our securities whenever prices are favourable. Suppose we raise open market loans or we borrow from the Government of India . . ."

MR. CHAIRMAN :—"Do the Government utilize these borrowings on securities for capital expenditure?"

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THE HON. SRI B. GOPALA REDDI :—" Yes, Sir."

MR. CHAIRMAN :—" Then how do you recoup them? "

THE HON. SRI B. GOPALA REDDI :—" To that extent of course they will be depleted. I have got to-day about Rs. 47 crores; if I am not able to raise any loan from the Government of India or in the open market, and if the Reserve Bank sells my securities to that extent, naturally my credit in respect of securities will come down."

MR. CHAIRMAN :—" But what happens to the Provident Fund and the other funds, if the securities are depleted? "

THE HON. SRI B. GOPALA REDDI :—" We have always a surplus. Suppose for instance it is provident fund; it may be I am paying out some lakhs, but what is coming into the treasury is always more than what I take, and I rely on that. If I get a loan from the Government of India or I raise a loan in the open market to that extent, the sale of securities will be less. In this respect, Rs. 13.89 crores is the figure I have taken, and this figure will be considerably reduced according to various factors. There are also local bodies and private people who have borrowed from us and they have also to repay us to the tune of Rs. 4.12 crores. There are also other deposits, such as for instance deposits in the Civil Supplies department. When a man takes a licence, he has to keep a deposit and we have to take credit for that money and we will have to pay it back to the depositor two or three years later when the trading scheme is abolished. The amount under this head comes to Rs. 3.28 crores. Thus, the total of Rs. 98.57 crores is arrived at. I am spending about Rs. 15 crores from the capital account, and I must get that amount from somewhere; and if I cannot get it from the Government of India or from the open market, I must certainly utilize other moneys which are available with me. I am the trustee and I promise to pay back the amounts taken, perhaps with interest in some cases. I am not likely to repudiate the debt after all. So, Rs. 3.38 crores is the figure under various deposits, Rs. 4.12 crores under Recoveries from Loan advances, Rs. 13.89 crores under sale of securities and Rs. 18 crores from short-term borrowings and Rs. 59.28 crores from gross receipts. All these make a total of Rs. 98.57, and expenditure also will come to the same amount. Have I made myself clear? "

MR. CHAIRMAN :—" How does Revenue come to Rs. 98 crores? "

THE HON. SRI B. GOPALA REDDI :—

RS.

" 59.28 Crores under Revenue account, gross receipts.

18.00 Crores under short-term borrowings, treasury bills,
ways and means advances from Reserve Bank,
etc.

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RS.

13.89 Crores from sale of securities, etc.

4.12 From recoveries of loans advanced to local bodies
and private people.

3.28 Crores from Civil Supplies deposits, etc.

98.57 Total crores."

MR. CHAIRMAN :—" That means, you have taken credit for your borrowings? "

THE HON. SRI B. GOPALA REDDI :—" I have shown the amounts under expenditure—repayment of loans—and taken them to the credit side also. Every pie is paid back to the man who has advanced . . . "

MR. CHAIRMAN :—" Out of the Rs. 98 crores, Rs. 13 crores are loans? "

THE HON. SRI B. GOPALA REDDI :—" It is not so. It may be I am drawing from my cash balance investment account. I have accumulated amounts with me; supposing I am spending on Pykhara, I have an asset there, and it is a revenue-producing asset. There is no point in keeping the Government of India paper in the vaults of the Reserve Bank of India. Rs. 18 crores is the figure representing short-term borrowing. The borrowing may be sometimes for one week; the Reserve Bank may give me Rs. 3 crores in one week and I may repay it in the next week, and in the meantime I may be getting that amount from land revenue."

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p.m.

MR. CHAIRMAN :—" My point is, the income is 59 crores and expenditure is 55 crores and so there is no money except 4 crores. Now you are borrowing 18 crores from the Reserve Fund and 13 crores from Securities. How do you pay them back, because you have no money from the Revenue Account and your Security is depleted. And, what about the 18 crores you have borrowed and wherefrom are you going to pay it? "

THE HON. SRI B. GOPALA REDDI :—" It is all a question of 24 hours, or 48 hours or a week, as the case may be and as soon as we get the money, it is all paid back. Perhaps at the end of the month I go down to the tune of some lakhs or crores."

MR. CHAIRMAN :—" So, this 18 crores is utilized for the various Demands which have been sanctioned."

THE HON. SRI B. GOPALA REDDI :—" Yes. It may be under Revenue Account, in a particular month, I get only 3 crores. It does not matter."

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MR. CHAIRMAN :—“ My point is this. Your income is 55 crores and your expenditure is 55 under Revenue Account. You have got about 43 crores for Capital expenditure in the coming year.”

THE HON. SRI B. GOPALA REDDI :—“ No, no. My capital expenditure is only 15 crores. Under Revenue Account it is proposed to spend about 59 crores and under Capital account 15·32 crores.”

MR. CHAIRMAN :—“ According to the Appropriation Bill, it is 43 crores.”

THE HON. SRI B. GOPALA REDDI :—“ They are all comprised in three items under the Capital Account, and they are divided between three heads, viz., Capital Account, Loans and Advances and Repayment of Short-term Debts. Repayment of Short-term Debts is to the tune of 18 crores; Loans and Advances 5·34 crores and we have got a Reserve Fund of 5·43 crores. The main point is, how to finance the Capital Account. There is under Sale of Securities 15 crores. If I get a loan from the Government of India or raise a loan in the open market, to that extent I will not be obliged to sell my Securities.”

DR. V. K. JOHN :—“ This figure is given on account of Article 204 (3) of the Constitution which says: ‘ No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of this Article ’. Even if the Hon. Minister goes and borrows, a margin must be there in the Appropriation Bill.”

THE HON. SRI B. GOPALA REDDI :—“ All the gross borrowings at the end of the year may be to the tune of 18 crores. At any point I may not have borrowed from the Reserve Fund more than 50 lakhs or so. Therefore, Sir, it is 98·57 crores. Last year's figure was 89·84 crores, i.e., in 1949-50; in 1948-49 it was 80·56.”

SRI R. SURYANARAYANA RAO :—“ Sir, am I right in saying that we are making inroads into the Reserve Fund?”

THE HON. SRI B. GOPALA REDDI :—“ We make inroads only on the Cash Balance Account. Perhaps, if necessary, we may have to make inroads into the Reserve Fund as we did in the year 1946-47. So, that is how we propose to find the necessary money. What is to be given to us is 15 crores and our Public Debt stands at 27 crores of rupees. So, the net Public Debt is only 12 crores. At the end of this March if we get nothing more from the Government of India or in the open market, this 12 crores will become 18 crores, but we are creating assets under Capital Account.

“ Sir, the discussion on this Appropriation Bill has been utilized for a sort of general discussion of the Budget and various matters relating to the zamindari compensation and the prevailing lawlessness in the country were raised under this. Sir, it is

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true there is lawlessness in the Krishna district, but there are also other districts like Coimbatore and Cuddapah perhaps which had this lawlessness for a very long time and in spite of the might of the British, the police force could not put down murders in Cuddapah or Coimbatore. Perhaps the murders that took place in Coimbatore and Cuddapah were not less. Now, Krishna district got it. It may not be during night time under cover of darkness and whether the man is sleeping or awake, he is being killed. Of course, we are drawing attention to such happenings repeatedly through the Press and platform and certainly it is up to the people to ask for protection. Whether a murder takes place when a man is sleeping or when he is awake, he must take all precautions."

SRI B. NARAYANASWAMI NAYUDU :—" It took place at 7 o'clock."

THE HON. SRI B. GOPALA REDDI :—" Whether it is at 7 o'clock or at 12, whether the man was sleeping or was awake and he was killed by a lethal weapon or any other weapon, it does not matter. Even in Cuddapah people were killed. Everywhere these Communists come in large numbers and they are going about from man to man for prey and kill people. It is not as though there were no riotings or factions and that these things have suddenly come from somewhere and nowhere. It has been a continuous process and there are also other factors, post-war factors, cost of living, high prices and things like that and these must have also contributed to such things."

SRI B. NARAYANASWAMI NAYUDU :—" What is the speciality in the country? "

THE HON. SRI B. GOPALA REDDI :—" Whether it is murder in Coimbatore, or in Tanjore or Cuddapah, it is all murder and it must be put down and nobody denies that. Not only the murders in Krishna district but everywhere they must be put down. The police have been given all the strength to put down all these things and there is no use, therefore, saying that lawlessness has been prevailing only recently. It has been there all along and there are certain contributory factors for it and certainly Government must take all action necessary and put it down. Nobody would encourage lawlessness. Any Government worth the name must put down with a strong hand all these anti-social elements which are trying to create all these troubles.

" Then, Sir, I do not think Mr. Suryanarayana Rao has done justice to anybody by saying he is feeling a sense of insecurity even in the City of Madras. I do not think such exaggerated reports will do good to anybody. I do not know why my Friend, Mr. Suryanarayana Rao thought it fit to say that he was feeling insecure in Mylapore, Triplicane or Perambur. Therefore, I said that if he was feeling insecure, he might go to Cuddapah. But, I do not think there is any insecurity in the minds of my Madras friends. The police are vigilant. Of course, here and there there may be

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some outbreaks. Even in Ramarajya such things had happened and they are happening not merely now. Therefore, as I said, the police are vigilant to put down house-breaking, house looting and murders. These things have been there right from the dawn of history. After all, the communists are there; of course, they take their shelter in Hyderabad and it is not as though we do not want to minimise their atrocities; nor do we shelter them. There are certain inherent difficulties. We are spending large sums of money; we are also giving powers to the police to put down this lawlessness. But, as I said, if there are certain inherent difficulties in the matter, it is no use throwing the entire blame on the Government. It may be that very near a police station a murder has taken place, but nothing is proved by it. It may also be that within a mile or four furlongs of a police station it has happened. In fact, it has happened and it may happen, but the Government will certainly see that such things do not recur and such attempts are not encouraged by any man, whether he is a Minister or a head of a department. Nobody discourages subordinate people from putting down such lawlessness"

DR. V. K. JOHN :—" If they recur ? "

THE HON. SRI B. GOPALA REDDI :—" If they recur, they do recur. Do not murders take place in a very efficient place like America? Are not cars taken away by people when they are parked in streets? So, you cannot say that things have gone very wrong and Truman must resign and all that. As I said, very bad things are happening in Krishna, on the frontiers of Hyderabad and Madras. We have repeatedly stated on the floor of this House that we have taken steps and that in spite of that things have happened. Other factors have contributed to the general lawlessness in the State. It is an eternal battle"

SRI T. PURUSHOTHAM :—" On a point of information, Sir."

THE HON. SRI B. GOPALA REDDI :—" I am not yielding, Sir."

MR. CHAIRMAN :—" I will take your point of information afterwards."

THE HON. SRI B. GOPALA REDDI :—" Sir, Dr. Lakshmanaswami Mudaliyar raised the point, why not you create block grants, so that there may not be any indecent haste on the part of the departments to spend money in February and March and unnecessary expenditure may be avoided. It may be good for the Universities, I do not know, but for a Government it is not desirable to split the entire Budget by means of block grants.

" You must have an overall picture of the entire State revenues and you must know what each Department's requirements are and you must be in a position to allot to them the required funds. If you go on creating funds, the whole thing will be pigeon-holed and

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you will not be able to draw from one fund and credit it to the other. The Finance Department and the Auditor-General discourage the creation of more funds and the creation of block grants, and make them non-lapsable; and it is not at all desirable. We do issue instructions to see that towards the end of the year, they do not incur any unnecessary expenditure and we have warned the Public Works and other Departments not to rush through schemes just in February or March so that the amount available with them does not lapse. I do not think that the creation of block grants will help the Government as it will only make the position very tight and you may not have any money for some of the other Departments of Government which want money.

“ With regard to the Centre, it is a ticklish matter. I agree with Dr. John that you must have more sources of revenue so that we may go on with our nation building activities. As I said last year, all the common man's problems are with the State Government—his education, health, rural communications, irrigation—and everything connected with his well-being is charged on the State Government, while the rich man's income, the investor's capital, the exporter, the importer, the business magnate are under the purview of the Centre. It is a very curious position. Sir the responsibilities of the State Government are huge and their revenues are very slender and there must be some happy understanding between the Union and the State. Let us hope that the points raised by the Leader of the Opposition will be considered by the Financial Commission that will go into the question fully; it is not a very easy thing; we know that; we know the responsibilities of the Centre; the defence of India is in their charge and just now it is consuming Rs. 170 crores as they have to strengthen the defence services and for that they want huge sums of money and so they are unable to give us anything. It is true there is no continuity or certainty of the grants coming to us from the Centre. The Union Government have been changing it from year to year and when we have launched upon a certain scheme on their assurance that their help would be taken for granted, it is very difficult for any State Government to be told that it will be modified and it will be very difficult for them to cry halt in the middle of their schemes. Sympathising with their difficulties, we will have probably to rely more and more upon our own resources instead of looking forward to grants from the Union Government.

“ The question of Muslims and their representation in the services has been raised. We are all very glad that we maintain Hindu-Muslim cordiality during the last three or four years when times were troublous all over India. Certainly it is a matter for congratulation that we kept our heads cool when other people could not do it. Other matters that have been raised will be considered along with the suggestions made during the discussion of the Budget.

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"The Deputy Chairman raised the question of loans to the Corporation for helping them in regard to their housing schemes. We shall view them with sympathy as and when applications are received though sometimes some of their proposals had been negatived. We are also thinking whether we could not ask some of the municipalities and the Corporation also to raise local loans for their own water-supply and drainage schemes. We want to divest ourselves of the responsibility of finding the money for some of these municipalities. Hitherto, the Government were getting all the money either from the Government of India or in the open market and disbursing them to the municipalities and the Corporation. Now we want to try this experiment whether the local investing public could be cajoled into giving moneys to their municipalities for their own drainage and water-supply schemes and we shall also see whether the Corporation could be given a chance to get some loans for some of their schemes. Probably it may go a long way to ease their position.

"Before I conclude, I wish to thank the Deputy Chairman who was officiating for you during the budget discussion and I am also glad that you have come back from your rest and you have been here during the final stages of the budget discussion. I thank you and your Deputy Secretary and other members who have presided over the deliberations of the House on occasions, like Dr. Srinivasan, Mr. Ranga Reddi and others who are on the panel of Chairmen and who took the chair during short intervals for the co-operation they gave to the Government during the budget discussion. I also thank the Leader of the Opposition and others and also the members of the Muslim Group for the valuable suggestions that they have given; we shall certainly consider them when the entire suggestions on the Budget proposals are reviewed by the various Departments."

(Sri T. Purushotham rose in his seat.)

MR. CHAIRMAN:—"What is your point of information?"

SRI T. PURUSHOTHAM:—"On a point of information ఆసెంబ్లీలో గౌరవసభ్యులు జిల్లాలో జరుగుచున్న ఆకృత్యాలు, దారుణాలు ఆరికట్టడం గురించి మాట్లాడుచు, కొన్ని కొన్ని సందర్భాలలో ప్రభుత్వాన్ని విమర్శిస్తే, వంతులు ఈ దారుణాలను, దుర్మార్గాలను అణచివేయటకు ప్రభుత్వమువారు ఏమేమి చేయుచున్నారో చెప్పటకు బదులు, ఉద్రేకము తెచ్చుకొని, ఉడుకుబొంతు తపసుతో"

MR. CHAIRMAN:—"It is not a point of information; the hon. Member is making a speech; I am sorry I cannot allow a speech."

SRI T. PURUSHOTHAM:—"ఇటువంటి ఆకృత్యాలు, ఇప్పుడే కాక ఇదివరలో కూడా జరుగుచుండెడివి సమాధానము చెప్పినంతమాత్రమున ఆరాతకములు తగ్గుతవా."

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MR. CHAIRMAN :—" He should not make a speech ; if the hon. Member wants any information, let him state it ; I cannot allow a speech."

SRI T. PURUSHOTHAM :—" I am not making a speech, Sir."

MR. CHAIRMAN :—" But you are making a speech."

SRI T. PURUSHOTHAM :—" I will put a straight question."

MR. CHAIRMAN :—" What is your question? "

SRI T. PURUSHOTHAM :—" ఈ దారుశాలను అరికట్టడానికి ప్రభుత్వం వారు ఏ చర్యలు తీసుకొనుచున్నారో తెలియజేస్తారా? "

THE HON. SRI B. GOPALA REDDI :—" If you want to put down lawlessness in the districts, it cannot be put down by way of speeches either from the Opposition or from this side; solid work has to be done by the Departments in the districts and I hope the Department will certainly look to it."

* THE HON. SRI K. MADHAVA MENON :—" Article 266 deals with the appropriation of amounts to the Consolidated Funds; after dealing with the Government of India, it says: 'all revenues received by the Government of a State, all loans raised by that Government by the issue of treasury bills, loans or ways and means, advances and all moneys received by that Government in repayment of loans shall form the consolidated fund of the State.'"

MR. CHAIRMAN :—" I know that. I am not speaking of the Appropriation Bill but my point is whether this information could not be furnished in the Budget."

" I suppose the Reappropriation Bill goes back without any recommendation as it came from the Assembly."

" The question is—

' That the Madras Appropriation Bill, 1950, as passed by the Legislative Assembly and transmitted to the Council, be taken into consideration '."

The motion was carried.

Clause 2.

MR. CHAIRMAN :—" The motion is—

' That clause 2 do stand part of the Bill '."

SRI B. NARAYANASWAMI NAYUDU :—" Mr. Chairman, Sir, it ought to have been said at the very beginning and indeed (the Hon. Sri B. Gopala Reddi: ' It is so very obvious ') what is so very obvious to him, we cannot follow so quickly as he does. The plain question is Rs. 58 crores is received by way of income against Rs. 98 crores involved here."

MR. CHAIRMAN :—" Shall I tell the hon. Member how I understood the whole thing. Rs. 59.28 crores represent the revenue,

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Rs. 18 crores short term borrowing which is not shown on the revenue account and Rs. 13.89 crores raised by the sale of securities and whatever remains afterwards is raised by some other means."

SRI B. NARAYANASWAMI NAYUDU :—" The real point is not that, Sir. Ordinarily, if the Government needed credit, they should have gone to the country and raised a loan of Rs. 40 crores. They have no credit in the country and therefore, they want to appropriate, to misappropriate from the deposit account. Let me remind the Hon. Finance Minister that if a company touches the deposit account, it will be held to be guilty of misdemeanour and of misappropriation."

THE HON. SRI B. GOPALA REDDI :—" I take it from deposit account in order to enable me to meet my requirement for this year and I will see later on how to replenish it."

SRI B. NARAYANASWAMI NAYUDU :—" You have got in your cash investment account Rs. 15 crores. Let not the Hon. Minister think that we are so thick-headed as not to understand the position. It really boils down to this, that you are taking this from the deposit money of your servants and use it for your own purpose temporarily of course. I ask, Sir: Is it correct. Will a company do it without any consequence to it. (The Hon. Sri B. Gopala Reddi: 'We are not a company.') yes, you are not a company and therefore, above the law and therefore, you can misappropriate the moneys of your servants. In the ordinary course, you must have floated a loan and added to your debt charges. Why do you pick up from the deposits of your servants."

THE HON. SRI B. GOPALA REDDI :—" As I explained, Rs. 18 crores represent the short term borrowings."

SRI B. NARAYANASWAMI NAYUDU :—" Never mind about that, Sir; what is the total debt of the State; is it plus forty crores or is it merely an adjustment; loan or debt, both are the same. What I wish to point out is that Rs. 40 crores is the debt programme of this State for this year."

THE HON. SRI B. GOPALA REDDI :—" No, not at all."

MR. CHAIRMAN :—" If Rs. 18 crores had been shown under receipts the total under the revenue will be Rs. 73 crores instead of Rs. 55 crores. But then this Rs. 18 crores is again shown under expenditure; there is nothing wrong about it."

SRI B. NARAYANASWAMI NAYUDU :—" Is not this Rs. 18 crores an expenditure? "

THE HON. SRI B. GOPALA REDDI :—" It is borrowed from the Reserve Bank."

SRI B. NARAYANASWAMI NAYUDU :—" For expenditure."

THE HON. SRI B. GOPALA REDDI :—" It is borrowed and shown under revenue side and then again shown on the expenditure side. Then by sale of securities we have Rs. 13.89 crores."

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4-45 P.m. SRI B. NARAYANASWAMI NAYUDU :—" That is a different matter."

MR. CHAIRMAN :—" Your observations will be relevant to the expenditure of money excluding 18 crores."

SRI B. NARAYANASWAMI NAYUDU :—" I shall put it this way, Sir—Eighteen crores plus 13.89 crores. This is an addition to the burden of public debt. It is not liable to be discharged by Government from their revenues; so it is an addition to the public debt of this Province. Now, why is it done so? Why is it not done by way of floating a loan. In fact, the only course by which the expenditure can be met is by floating a public loan, and I wonder why such a straight course has not been adopted. They cannot take that money from their reserve."

MR. CHAIRMAN :—" I think the hon. Member would be in a stronger position if he puts his case the other way, that is, how they are going to repay it; for, what does it matter whether they borrow or take it from the public revenue?"

SRI B. NARAYANASWAMI NAYUDU :—" They have not got the courage to go to the open market and float a loan. Any firm with credit would have gone to the open market for a loan under such circumstances. Now, what credit has this Madras Government in the open market with Gopanna as its managing director?" (Laughter.)

THE HON. SRI B. GOPALA REDDI :—" My only answer is that in this respect I am in good company. I am not alone. No State Government have gone into the open market for a loan last year. Only one Government went, and it is, after all, not much of a success. It is not good to discuss the prospects of a loan policy of a Government openly. There should be a certain amount of hush—hush about it. Even the Government of India could not float a loan in the open market."

MR. CHAIRMAN :—" I shall now put the clauses of the Bill to the vote of the House."

Clause 2 was put and carried.

The schedule was put and carried.

Clause 1 was put and carried.

The Preamble was put and carried.

THE HON. SRI B. GOPALA REDDI :—" Mr. Chairman, Sir, I move—

'That this Council, having considered the Madras Appropriation Bill, 1950, as passed by the Legislative Assembly and transmitted to the Council, returns the Bill to the Assembly with the recommendation that the Bill may be adopted without modification.'"

The motion was put and carried.